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Supreme Court, U. S.
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In the

Supreme Court of the United States

OCTOBER TERM, 1979

EVEREADY INCORPORATED, a corporation and MARK GILBERT, an individual,

Petitioners,

vs.

UNION CARBIDE CORPORATION, A Corporation,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioners, Ever-Ready Incorporated and Mark Gilbert, respectively pray that a writ of certiorari issue to review the Order of the United States Court of Appeals for the Seventh Circuit entered in this proceeding on June 13, 1979, (Unpublished Order—Not To Be Cited), and affirmed by the denial of a petition for en banc rehearing on August 9, 1979, six of eight active judges abstaining.

OPINIONS BELOW

The Order of the Court of Appeals for the Seventh Circuit entered June 13, 1979 is unpublished and unreported. The Opinion of the District Court on remand, for the Northern District of Illinois, Eastern Division, entered March 3, 1977, is unpublished and unreported. These opinions derived directly from the Opinion of the Court of Appeals for the Seventh Circuit entered January 30, 1976, as amended March 11, 1976. The Opinion of the Seventh Circuit entered January 30, 1976, as amended March 11, 1976 is reported at 531 F.2d 366. The original trial court Opinion of the District Court for the Northern District of Illinois, Eastern Division, entered February 18, 1975, is reported at 392 F. Supp. 280. The unpublished orders of the Seventh Circuit and the Remand Court and the published opinions of the Seventh Circuit in 1976 and the prior Opinion of the District Court are appended hereto.

JURISDICTION

The Order of the Court of Appeals for the Seventh Circuit was entered June 13, 1979 as "Unpublished Order —Not To Be Cited."

Petition for en banc rehearing, timely filed June 27, 1979, was denied August 9, 1979.

On petitioners' application for extension of time for filing a petition for writ of certiorari in the above entitled cause, time was extended to January 6, 1980 by this Court, assigning to it No. A-335 on October 22, 1979.

This Court's jurisdiction is invoked under 28 U.S.C. §1254(1).

QUESTIONS PRESENTED FOR REVIEW

1. Whether the Court of Appeals for the Seventh Circuit had jurisdiction over the question of laches, when that question was unappealed, unargued and had been reserved by the District Court; all appealed questions having been decided without need to decide laches.

2. Whether the Court of Appeals deprived petitioners of due process of law or other essential elements of justice, when it decided the unappealed and reserved question of laches without prior notice to the parties and without first hearing arguments on that question especially when; the facts relative to laches had not been stated by either party or by the District Court; the Court of Appeals deciding the question on its own statement of facts which neither party had seen and which was clearly erroneous.

3. Whether the injunction as modified by the Court of Appeals was excessive, particularly in not allowing a period for orderly transition even though petitioners had not been charged with bad faith and had won a complete victory in the District Court; and also in prohibiting use of Ever-Ready on desk lamps and on bulbs for desk lamps, considering their long standing useage and that they were outside of the Union Carbide complaint as well as outside of Carbide's U.S. Patent Office Trademark Registration Certificates.

4. Whether the practice of the Seventh Circuit Court of Appeals as indicated by the foregoing must be declared improper as protection to all litigants similarly situated and as a matter of public importance.

CONSTITUTIONAL CLAUSES INVOLVED

FIFTH AMENDMENT. "• • • nor shall any person • • • be deprived of life, liberty, or property, without due process of law"

FOURTEENTH AMENDMENT, Section 1. "• • • No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

ARTICLE IV, SECTION 2. "The Citizens of each State shall be entitled to all Privileges and Immunities of Citizens in the several States.

ARTICLE VI, Paragraphs 2 and 3. "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof • • • shall be the supreme Law of the Land. • • • all executive and judicial Officers, both of the United States and of the several States, shall be bound by Oath or Affirmation, to support this Constitution • • •."

STATEMENT OF THE CASE

Petitioner, Mark Gilbert, is the owner of a desk lamp and desk lamp accessory business formerly known as Ever-Ready, Inc. Gilbert began his business in 1944 and used the term Ever-Ready in his company name and on his products from 1944 until 1977, when, by the terms of the injunction issued on remand by the District Court, he was ordered to immediately terminate, allowing no time for transition, the use of Ever-Ready in his company name and to immediately cease the sale of his inventory of products bearing that term.

Prior to this litigation, petitioners' small business was fairly successful. Mark Gilbert, the Ever-Ready principal, began his business in 1944 as Ever-Ready Fluorescent Service and continues to conduct a fluorescent maintenance service under that name. That business expanded to include the sale of fluorescent tubes and desk lamps labeled "Ever-Ready" and in 1946 a new company called Ever-Ready Electric Co. was formed to separate such products from the business of contract lighting maintenance and to further a developing national desk lamp business. The business was incorporated as Ever-Ready Electrical Supply Company in 1952, its name changed to Ever-Ready Incoporated (1955) and Ever-Ready International, Ltd. (1972).

In 1950, on submitted application, Union Carbide appointed petitioners' Ever-Ready as a franchised distributor of its EVEREADY batteries and flashlights. Carbide conditioned that appointment on Ever-Ready's giving up their sales of Bright Star batteries and flashlights but did not require petitioners to abandon their Ever-Ready mark. Carbide renewed the franchise for 1951 and 1952. (Rec. DX118, App. 233, 234, 277-279).

The evidence adduced at trial showed conclusively that petitioners continuously used the mark Ever-Ready in their company names and on their products starting with 1944 to 1971 when Carbide filed its action. (Record, Appendix pp. 218, 236, 237, 243, DX131; 219; pp. 11, 58, 59 of Catalog 156-A, (Exh.DX1); pp. 162, 163, 169 of Catalog 155-B, (Exh.DX-2) 221; Exh. PX49, pp. 271, 273, 287; DX55, 226; DX31, pp. 162, 231, 232, 260; pp. 226, 270; Gilbert depos. 2/23/72, Exh. Forms 9003-ADV., 9005-ADV., pp. 43, 45 Sep. Cert. 6/20/77).

Among 300 users of some variant of the mark ever ready, on electrical products other than those of petitioners and respondent, were American Safety Razor Corp., Ever-Ready electric shavers, date of first use 1904; Sears-Roebuck & Co., Eveready electric power drives, date of first use 1949; Eveready Flood Control, Inc., Eveready electric compressors, date of first use of mark, 1957; Eveready Burner Supply Co., Eveready electric heaters and G.T.E. Sylvania, Ever-Ready electrical wiring devices. (Short Rec. 4/1/77. Also see TCR certified computerized printout, Appellants' main brief at A36-A65).

In July 1971, Carbide first contacted petitioners, stating that sale of their high intensity light bulbs for home use under the trademark "Ever-Ready" constituted infringement of Carbide's "EVEREADY" mark used on packaging of General Electric miniature lamp bulbs which Carbide sold until General Electric terminated their agency agreement in 1974, following a 1973 federal court decision that General Electric lamp bulb Agency agreements were in restraint of trade and violative of antitrust law. (DX142, DX143 Sep.Cert. 6/30/77).

Following petitioners' refusal to abandon their mark used for more than 25 years, on December 30, 1971, respondent filed suit for trademark infringement and unfair competition, with a pendent dilution claim under the Illinois Trade-Mark Act, Ill. Rev. Stat., Ch. 140, § 22. Jurisdiction of the District Court was founded upon 15 U.S.C. § 1121, 28 U.S.C. §§ 1332 and 1338. The complaint asked that defendants be perpetually enjoined from using their mark "EVEREADY" in any connection with the "advertising, offering for sale or sale of any products such as electric flashlights and accessories, lanterns, batteries, and miniature lamp bulbs for flashlights and accessories, lanterns, lamps, toys, novelties, and automotive, aircraft, marine and related uses or services connected therewith" (Rec. App. 8-9, Sec. 1(a), (b), (c), (d)).

The complaint made no mention of lamps as receptacles for light bulbs. The complaint made no mention of high-intensity light bulbs. The complaint was supported by five Exhibits To The Complaint, which purported to be copies of U.S. Patent Office Trademark Registration Certificates. The purported copies were uncertified by the U.S. Patent Office. They purported to be copies of: U.S. Patent Office Trademark Registration Certificate No. 135,757 (Class 21) "for electric batteries, dry cells and storage batteries"; Certificate No. 268,557 (Class 21) "for electric batteries"; Certificate No. 796,721 (Class 26) "for electric equipment and controls for testing batteries"; Certificate No. 707,745 "EVEREADY and design"; and Certificate No. 815,394 "EVEREADY ENERGIZER and design". (See Complaint Exh. 2A, 2B, 2C, 2D, 2E).

None of the purported Trademark Registration Certificate copies dealt with lamps as receptacles for light bulbs or with light bulbs. At the time of the filing of its complaint, Carbide did not sell high-intensity light bulbs. Carbide first applied for a U.S. Patent Office Trademark Registration Certificate for "MINIATURE AND LARGE ELECTRIC LAMP BULBS FOR GENERAL SERVICE AND INDUSTRIAL USES" on February 10, 1975, some 37 months after the filing of its law suit and eight days before a District Court Opinion adverse to Carbide was to come down. (Certif. Serial No. 43,922, See main brief A-57).

While Carbide's law suit did not seek damages or an accounting of Ever-Ready's profits, it did seek that Ever-

Ready be required to deliver up to it all material and merchandise bearing the allegedly infringing term Ever-Ready. (See prayer of complaint).

Petitioners denied the substantive allegations of the complaint, and raised as affirmative defenses, laches and misuse of Carbide's trademark in violation of antitrust laws. At trial, this latter defense was severed for separate trial pursuant to Federal Rule of Civil Procedure 42(b). (A. 41)

Upon a bench trial, Judge Prentice H. Marshall found no infringement, no unfair competition and no dilution under Illinois law. Judge Marshall also decided that there was no likelihood of confusion, no actual confusion and collaterally ruled that plaintiff's use of its mark on batteries was descriptive and therefore invalid under the Lanham Act. This decision was rendered after the trial court had the opportunity to observe the demeanor of the witnesses and carefully weigh the evidence. Having disposed of the complaint, Judge Marshall did not reach the issue of whether laches barred Carbide from obtaining relief. (R. 73-95)

Carbide appealed to the Seventh Circuit Court of Appeals and obtained a reversal of Judge Marshall's decision in its entirety. Among other things, the Court held that Carbide's mark had become incontestible under 15 U.S.C. § 1065 and that Carbide had exclusive use of the trademark. As a result, the Court concluded that Carbide's mark was immune from any attack on its validity. To reach this conclusion, the Seventh Circuit reversed its position as stated in *John Morrell & Co.* v. *Reliable Packing Co.*, 295 F.2d 314 (1961). Moreover, Judge Pell recognized that the Court's new position was directly contrary to the decisions of the Ninth Circuit in *Tillamook*

County Creamery Association v. *Tillamook Cheese and Dairy Association*, 345 F.2d 158 (1965) cert. denied, 382 U.S. 903, and the Eighth Circuit in *Wrist-Rocket Manufacturing Co., Inc.* v. *Saunders Archery Co.*, 516 F.2d 845 (1975), cert. denied, ... U.S. ....., 96 S. Ct. 134, 46 L.Ed. 2d 100. (A. 32-51).

In reversing Judge Marshall, Judge Pell held, inter alia, that the trial court erred in respect to its conclusion of law that there had been no infringement, and further held that he erred with respect to his finding of fact that there was no likelihood of confusion. Judge Pell further held that the antitrust issues severed by Judge Marshall pursuant to Fed. R. Civ. P. 42(b) was not involved in the appeal and that the laches defense was not available to the defendants. (A. 52-66).

Following receipt of that Opinion, defendants-appellees filed a Petition For Rehearing asking for trial court adjudication of the affirmative defenses of misuse of Carbide's trademark in violation of antitrust laws and laches. Whereupon, the Seventh Circuit invited Carbide to respond to Part II of the petition dealing with the laches defense. Defendants-appellees were not permitted to reply to the response and no full briefing was scheduled.

Shortly after receiving Carbide's response to Part II of the Petition For Rehearing, the Seventh Circuit amended its Opinion, remanded the antitrust defense to trial (A. 70-71) and ruled that the laches defense was not available to defendants, (A. 72), declaring:

> "In 1969 defendants commenced importing miniature lamp bulbs having the term Ever-Ready stamped on their bases and selling these bulbs in blister packages containing the term Ever-Ready in a four-sided

logo and indicating that they are for high-intensity lamps." 531 F.2d 366 at 371 (1976) (A. 32).

"Prior to 1971, Ever-Ready did not market the products involved in this case under its own name. * * * In 1971, Ever-Ready began marketing the products involved in this case. Carbide filed its complaint on December 30, 1971. The time lapse is insufficient to establish laches on the facts of this case." 531 F.2d 366 at 388-389, (1976) (A. 66).

In any event, the issues of laches was not urged on this appeal and may be considered as having been waived." 532 F.2d 366 at 389, (1976) (A. 66).

Introduced in evidence at the District Court trial on October 13, 1976, before Judge George N. Leighton hearing the antitrust defense, were Exhibit DX142, plaintiff's notice of a meeting with General Electric called to discuss "alternate methods of selling lamps * * * made necessary by a court decision declaring 'agency' illegal" and Exhibit DX143, the minutes of that meeting confirming agency contracts as violative of antitrust law. Also available to the District Court were copies of the General Electric-Union Carbide agency agreement, some of which were held under seal. Judge Leighton, immediately upon conclusion of a three hour trial, held that there was no violation of antitrust law, basing his decision on a purported October 1, 1976 Stipulation of Uncontested Facts Relating to Antitrust Defenses Alleged by Defendants, which had been entered by defendants' then attorneys without defendants' knowledge or consent, which stipulations had been previously contested and which contradicted the very arguments presented before Judge Marshall at the original trial. (Appellant's main brief pp. 37-42).

Just days prior to the October 13, 1979 remand trial, Gilbert discovered that his attorneys had entered stipulations which had been previously contested and which contradicted their arguments in the original trial and that they were not planning to call as witnesses the participants at the General Electric-Union Carbide meeting called to discuss "alternate methods of selling lamps * * * made necessary by a court decision declaring 'agency' illegal". (DX142, DX143 See appellants' main brief). Facing his attorneys with the unauthorized and previously contested stipulations and their failure to call essential witnesses, he asked them to withdraw from the case and ask the court for some time in which to find replacement attorneys. They refused stating it was too late and that the judge would not so permit. (Main brief p. 41).

On January 5, 1977, Judge Leighton's findings of fact came down, the substance of which were the unauthorized and previously contested stipulations. Thereafter, on February 4, 1979, defendants' attorneys did withdraw and Gilbert proceeded as pro se.

On March 3, 1977, Judge Leighton entered an injunction, allowing no time for transition which stated:

"1. Defendant MARK GILBERT, individually, and the corporate defendant, EVER-READY INCORPORATED, by change of name, EVER-READY INTERNATIONAL LTD., its officers, directors, agents, servants, employees, attorneys, confederates and all persons acting for, with, by through or under them, and each of them, be and they thereby are perpetually enjoined and restrained: (A. 28)

"(a) From using the term EVER-READY * * * on or in connection with the advertising, offering for sale or sale of electric flashlights and accessories, lanterns, batteries, lamps, miniature lamp bulbs, lamp

bulbs or any other electrical products not sold by or under the authority of Union Carbide Corporation." (A. 28).

"(b) From using the term EVER-READY * * * as part of any corporate, partnership, firm or trade name, on or in connection with the advertising, offering for sale or sale of electrical products * * *". (A. 28).

On April 1, 1977, petitioners' motion for reconsideration was denied and on that day he filed an appeal and an emergency motion in the Seventh Circuit asking for a stay of the injunction during pendency of appeal. The Court of Appeals granted the motion but on objection of respondent, the Court dissolved the stay on April 14, 1977, without permitting petitioners to respond. (Main Br. p. 15).

Plaintiff moved to enforce the injunction on August 15, 1977 and the District Court compelled compliance on October 13 and 20, 1977.

On June 8, 1978, Mark Gilbert was formally given permission to withdraw sealed documents from the record. That night, for the first time in 32 years, Gilbert's office and warehouse were broken into. Only the office was burglarized, Gilbert losing three attache cases and a sample case containing documents in this cause. (Chicago Police Report Z-198694). On June 16, 1978, he again withdrew sealed documents. That night, he was hit by a second try, this time a break-in attempt that was foiled by changes in the burglar alarm system. (Chicago Police Report Z-209911). Under Circuit Rule 4(g), had record elements been stolen so that they could not be returned, Gilbert could not have filed his reply brief. (Reply Brief pp. 37-38).

Petitioner appeared for Oral Arguments on May 25, 1979 and the Court of Appeals for the Seventh Circuit by order entered June 13, 1979, found the injunction entered by Judge Leighton as overbroad and ordered a slight narrowing of the injunction. The Court held defendant's arguments on laches and misuse of mark in violation of antitrust law and deprivation of due process as "without merit". The Seventh Circuit failed to respond specifically to any of the 23 assignments of error, six of those assignments dealing with laches, as developed by defendants in their arguments. The Unpublished Order-Not To Be Cited offered no explanations of why petitioners' arguments were "without merit". (A. 24-26).

Petitioners on June 27, 1979, then sought a rehearing en banc but this was denied by "a majority of the judges on the original panel" on August 9, 1979. (A. 1).

REASONS WHY THE WRIT SHOULD BE GRANTED

The importance of correction of the holdings of the Court of Appeals for the Seventh Circuit transcends the issues of unfair competition and trademark infringement, the paramount questions being due process, equal treatment under law and the rule of law itself.

If any of these rights are violated, such violation impacts on every citizen in the land and the rule of law becomes a sham, a nullity where equality may be equated with the resources of litigants, wherein those of equal financial strength and influence are accepted as true equals before the bar of justice.

The public's concern with the quality of judicial administration of the rule of law is reflected in the statement of Senator Orrin G. Hatch made on the floor of the Senate on September 7, 1978, when in support of S.1423, The Judicial Tenure Act, he said:

> "In my legal practice, I have seen certain Federal judges controlled or influenced by large corporations. I have seen control of certain Federal Judges by large law firms and I have seen it on more than one occasion. I have also seen Federal judges who were controlled by special interests.
>
> "I have seen Federal judges become arbitrary, capricious, exhibit all kinds of partiality, and I have seen an abuse of the legislative processes by what has been referred to as 'Government by judiciary'"
>
> "I have seen judicial intemperateness and I have seen judges continually intervening in the trial of cases, even when there were competent trial lawyers trying

> the cases, because the judges took sides early in the trial instead of being impartial as judges should be."
> —Congressional Record at S 14766.

When courts are perceived by the public as particularly responsive to the persuasion of power and influence over law, the rule of law breaks down as is evidenced by the accelerating increase in crime and the increasingly diminishing respect by the citizenry for lawyers, their courts and government.

The basic notion of due process involves granting each litigant the opportunity to be heard, and to present the facts most favorable to their position before decision. Procedures which are contrived to deprive citizens of property without due process of law, if permitted to maintain, would violate our last line of defense against the tyrannies of a prejudiced court.

Petitioners' positions have found support in the interest of the public as is evidenced from the Rummler-Robertson Amici Curiae Brief (A. 96-111), the Robertson letter to the Seventh Circuit dated May 6, 1978 (A-112) and the Amicus Brief of the Committee For Equality of Citizens Before the Courts (A. 113-117). That the issues are of further public interest may be seen from articles published in the Chicago Daily Law Bulletin "EVEREADY error overcorrected; sad plight of 'Mr. Ever-Ready'" (A. 118), "Union Carbide does not deny lack of due process" (A. 119), "Turncoat confesses: Surveys of trademarks can be illusions" (A. 120) and other publications such as Office World News, now first presented. (A. 121).

Petitioners submit that should the writ issue in the instant cause, the Supreme Court could declare that sua

sponte appellate consideration of an issue unadjudicated in the trial court is off limits and violates the standards of review authority; that such issue or issues be remanded for hearing and judgment by the trial court; and that in any event, should an appellate court take on such heavy responsibility, that it permit full briefing and arguments on facts and law, before deciding such issue.

By granting the writ, the Supreme Court will come to grips with the universally accepted requirement that every litigant is entitled to trial court hearing, consideration and adjudication of lawful pleadings before the potential of appellate review can be brought to bear; that such procedural safeguards for all citizens are essential to fair and equal treatment under law and that the due process requirements guaranteed by the constitution would be best served by such definitive standards, without *which this problem and reoccurrences* are not likely to heal themselves.

• If the burdens of this Court prevent consideration of a full writ of certiorari, an easied writ of mandamus would be helpful. It could direct the Seventh Circuit to vacate its improper determination of laches. If the Court has any hesitancy to so direct, it could offer an alternative for the Court of Appeals to explain why it does not do so, beyond its statement that the issue is "without merit."

ARGUMENT

I.

JURISDICTION OVER A LITIGANT'S MAJOR AFFIRMATIVE DEFENSE RESIDES IN THE DISTRICT TRIAL COURT—ORIGINAL ADJUDICATION OF APPELLEE'S DEFENSE OF LACHES WAS NOT THE PROPER FUNCTION OF THE COURT OF APPEALS WHEN THAT QUESTION WAS UNAPPEALED, UNARGUED AND HAD BEEN RESERVED BY THE DISTRICT COURT; ALL APPEALED QUESTIONS HAVING BEEN DECIDED WITHOUT NEED TO DECIDE LACHES.

The function of an appellate tribunal is to *review* the judgments rendered by the trial court. It is not consistent with this function for an appellate court to assume jurisdiction over an issue and make determinations of facts which are the province of the trial court, particularly when that issue was not on appeal and therefore unargued, having been reserved by the District Court.

The trial court Opinion came down on February 18, 1975. In that Opinion, Judge Prentice H. Marshall treated all of the elements in the Union Carbide complaint, holding that there was no unfair competition, no dilution and no infringement; collaterally ruling that Carbide's use of EVEREADY on batteries was descriptive and therefore invalid under the Lanham Act; and reserving the affirmative defenses of Carbide's misuse of its trademark in violation of antitrust law and laches for separate trial. (A. 73-95). Of the laches defense, Judge Marshall said:

> "In light of my conclusion on the trademark infringement issue, I do not reach defendants' affirmative defense of laches." (Footnote 28) (A. 95).

From that statement, it may be readily seen that the District Court decision recognized the defense of laches but ruled that its decision for the defendants on other grounds made the laches defense unnecessary, and the District Court therefore reserved it.

Union Carbide appealed the issues reached in the trial court and the litigants did not argue the reserved issues of misuse in violation of antitrust law and laches. NO ASPECT OF THE APPEAL OR THE RESPONSE THERETO EXPRESSLY BROUGHT THE ISSUE OF LACHES BEFORE THE COURT OF APPEALS, AND THE BRIEFS DID NOT URGE THAT IT BE DECIDED.

Judge Marshall was reversed on each of his findings of fact and conclusions of law and following a petition for rehearing asking for trial court adjudication of the reserved issues of antitrust violation and laches, the Seventh Circuit remanded the antitrust issue but ruled that the defense of laches was not available to defendants-appellees. (A. 70-72).

The assumption of jurisdiction over the issue of laches and the role of the trier of fact by The Seventh Circuit deprived petitioners of their right to trial and denied their rights to due process as guaranteed by the Fifth and Fourteenth Amendments to the Constitution.

This Court has said:

> "The essence of due process is the opportunity to be heard 'at a meaningful time and in a meaningful manner'". *Armstrong* v. *Manz.* 380 U.S. 545, 552, 85 S.Ct. 1187, 1191, 14 L.Ed.2d 62 (1965).

By coming to its sua sponte decision on laches, without remanding that issue for trial, the Seventh Circuit

denied petitioners the opportunity to be heard "at a meaningful time and in a meaningful manner"—thus petitioners were denied due process.

In *Jerrell* v. *Kenai Peninsula Boro. Sch. Dist.,* a Court of Appeals stated:

> "• • • Nevertheless, under established appellate principles, our rule on review does not permit us to ignore the trial court's conclusion or its exercise of discretionary powers, absent an abuse of that discretion. For us to reweigh the facts and equities and then substitute our judgment where there is no abuse of discretion, would abrogate the distinction between the functions of an appellate court and a trial court." Alaska, 567 P.2d 760 at 767. S.Ct. of Alaska (1977).

In *Gaffney* v. *McCarron,* an appellate court added further substance to this principle as it stated:

> Where the outcome of a case is contingent upon the facts found in the record, a reviewing court will not disturb the findings and judgment of the trial court in nonjury cases should the record reveal any evidence to support those findings". (Citing Brown v. Zimmerman (1959), 18 Ill. 2d 94, 102, 163 N.E.2d 518.)
>
> "Furthermore, even when the evidence appears to be in direct conflict, a reviewing court will not substitute its judgment as to credibility of the witnesses for that of the trial court and will not disturb those findings unless they are clearly against the manifest weight of the evidence. (Citing Scheinge v. Village of Niles (1st Dist. 1968). 101, Ill. App.2d 406, 243 N.E. 2d 255.)
>
> "Our courts have declared manifest weight to mean 'the clearly evident, plain and indisputable weight of the evidence'." (Citing Gettemy v. Grgula (1st Dist. 1975), 25 Ill.App.3d 625, 628, 323 N.E.2d 628, 630.) *Gaffney* v. *McCarron,* 360 N.E.2d 508 at 509 (1st Dist. 1977.)

In *Bess* v. *Daniel,* 355 N.E.2d 566 at 599 (1976), an appellate court held that it did not have the authority to consider a matter not passed on by the trial court. It stated:

> "This court will not consider an issue which the trial court did not consider. It is well settled that we do not have the authority to consider a matter not passed on by the trial judge (Trisko v. Vignola Furniture Co., 12 Ill.App.3d 1030, 299 N.E.2d 421; Murphy v. Kumler, 344 Ill.App. 287, 100 N.E.2d 660), or which the trial judge refused to consider. (Board of Education of Chicago v. Chicago Teachers Union, 26 Ill. App.3d 806, 326 N.E.2d 158) It is apparent that the trial judge's final order adjudicated only the liability of plaintiffs and the County. Any additional issue are not properly before us. Edelman v. Lee Optical Co., Inc., 24 Ill.App.3d 216, 320 N.E.2d 517."

In assuming jurisdiction over the question of laches when that issue was unappealed, unargued and had been reserved by the District Court, the Seventh Circuit has abrogated the functional distinction between trial and appellate courts.

II.

WHEN THE SEVENTH CIRCUIT UNDERTOOK ITS CONSIDERATION AND DISPOSITION OF LACHES IT FAILED TO PROVIDE CONDITIONS AND CONTROLS TO ASSURE FAIR, IMPARTIAL AND EQUITABLE TREATMENT OF LITIGANTS.

A. It overlooked the fact that the Record and the Appendix reflecting that Record were not selected in consideration of the issue of laches as that issue had been reserved by the trial court. No aspect of the appeal or the response thereto expressly brought that issue before the Court of Appeals.

B. It failed to notify the parties that it was going to take up this unappealed issue so that arguments could be properly briefed and the inadequacies of the Record could be brought to its attention.

C. There was no oral argument on the issue of laches, and the Court of Appeals did not call for any oral or written argument on the question before deciding it.

D. The Court of Appeals based its sua sponte denial of laches on its own generated statement of facts which had *not* been presented to it by the parties (at least not on the record) and which was grossly in error, prejudicial to the petitioners. Although repeatedly requested in papers before that Court, the Seventh Circuit has never corrected or explained the origins of those misstatements, wherein it said:

> "Prior to 1971, Ever-Ready did not market the products involved in this case under its own name * * * In 1971, Ever-Ready began marketing the products involved in this case. Carbide filed its complaint on December 30, 1971. The time lapse is insufficient to establish laches on the facts of this case." 531 F.2d 366 at 388-389, (1976) (A. 66).
>
> "In any event, the issue of laches was not urged on this appeal and may be considered as having been waived." 531 F.2d 366 at 389, (1976) (A. 66)

The trial Record is replete with exhibits and considerable unchallenged testimony showing petitioners' use of Every-Ready on their products since 1944, in clear contradition of the Seventh Circuit's statements of fact on the laches issue, origins still unknown. (Record, Appendix pp. 218, 236, 237, 243, DX131; 219; pp. 11, 58, 59 Catalog 156-A, (Exh.DX1); pp. 162, 163, 169 Catalog 155-B, (Exh. DX2) 221: Exh. PX 49, pp. 271, 273, 287; DX55, 226, DX 31, pp. 162, 231, 232, 260; pp. 226, 270; Gilbert Despos.

2/23/72, Exh. Forms 9003-ADV., 9005-ADV., pp. 43, 45 Sep. Cert. 6/20/77).

Strangely, the Seventh Circuit, in contradiction of its own generated finding that defendants had first used Ever-Ready on products in 1971, had earlier in its Opinion stated:

> "In 1969 defendants commenced importing miniature lamp bulbs having the term Ever-Ready stamped on their bases and selling these bulbs in blister packages containing the term Ever-Ready in a four-sided logo and indicating that they are for high-intensity lamps." 531 F.2d 366 at 371 (1976) (A. 32).

E. On petition for rehearing, when petitioners had pointed out error in the Seventh Circuit's own generated statement of fact, and plaintiff had filed a responding brief claiming the criticism to be incorrect, the Court of Appeals did not give petitioners a chance to respond to this assertion of incorrectness, but as to laches denied forthwith the petition for rehearing. Respondent, on page 3 of its Reply To Defendants' motion To Reconsider and Vacate Order of April 14, 1977 characterizes the Seventh Circuit's misstatement of facts as mere "inaccuracies".

F. One ground of the plaintiff for resisting rehearing on the question of laches was that even if laches were to be found, an injunction would still be needed to protect the public; but on subsequent trial of the antitrust defense, a former official of plaintiff, serving as plaintiff's witness, and in the course of belittling the importance of EVEREADY from the antitrust standpoint, testified to the effect that no one purchasing a lamp bulb (low voltage being contemplated) relied on trademarks. On common knowledge, the clear fact is that in buying a replacement low voltage bulb the purchaser matches the type of bulb

he has to replace, and takes whatever line the dealer happens to carry. (Reply brief p. 33 Rec. Sep. Certf. 6/30/77).

G. Although the Court's sua sponte statement of facts asserts that defendant did not start using Ever-Ready on the goods involved in the litigation until the year suit was brought (1971), Amici Charles W. Rummler and Louis Robertson pointed to a particular exhibit in the record which clearly showed that defendants were publicly advertising "Ever-Ready" desk lamps (which are subject to the injunction) in 1968. (A. 104).

Of due process, 16 Am Jur 2d Section 583 comments:

> "Generally speaking, due process is satisfied by one hearing which furnishes a full and fair opportunity within the rules. * * * A hearing before judgment, with full opportunity to present all the evidence and the arguments which the party deems important, is all that can be adjudged vital under the guaranty of due process of law. * * * One hearing before judgment, if ample, satisfies the demand of the Federal Constitution in this respect." 11 Louisville & N.R. Co. v. Higson, 234 U.S. 592, 58 L ed 1484, 34 S. Ct. 948; United States v. Heinze, 218 U.S. 532 54 L ed 1139, 31 S. Ct. 98; James v. Appel, 192 U.S. 129, 48 L ed 377, 24 S. Ct. 222; et al.

Petitioners have never enjoyed that "hearing before judgment, with full opportunity to present all the evidence and the arguments which the party deems important" as required by due process.

In *Stolberg* v. *Caldwell,* 423 F. Supp. 1295 (1976) at 1299, it is pointed out that "(t)he Supreme Court has established the framework for analyzing a due process claim such as is presented here. The initial determination is whether the plaintiff has been deprived of 'interests en-

compassed by the Fourteenth Amendment's protection of liberty and property.' Board of Regents v. Roth, 408 U.S. 564, 569, 92 S.Ct. 2701, 2705, 33 L.Ed. 548 (1972). If such a deprivation has occurred, the remaining question is 'the nature of the process that is due.' Morrissey v. Brewer, 408 U.S. 471, 484, 92 S.Ct. 2593, 2602, 33 L. Ed.2d 484 (1972)".

The deprivation of due process in this series of litigation has been denial of a fair and full trial, or denied trial, even a fair and full consideration by the Seventh Circuit of the affirmative defense of laches.

The nature of the process that is due is a judicious examination of the affirmative defense of laches.

As petitioners pointed out in their Reply Brief at page 14 in No.'s 77-1378 and 77-2035, the Court of Appeals had no jurisdiction to rule on laches in No. 75-1371 when that affirmative defense had not been reached by the trier of fact.

28 U.S.C. 2106 only gives a court of appeals power to "modify • • • or reverse any judgment, decree or order of a court lawfully brought before it for review", and there was nothing that lawfully brought before the Court of Appeals in this cause the issue of the affirmative defense of laches.

Once the Court of Appeals had proceeded as far as reversing the determinations of the court below on invalidity and infringement, the affirmative defenses which the trial court had held in abeyance ceased to be moot (as the Seventh Circuit itself recognized, when on denial of the Petition for Rehearing, it amended its Opinion to remand the affirmative defense of misuse of mark in violation of antitrust law), and there was no longer a "final decision"

by which the Court of Appeals could retain jurisdiction under 28 U.S.C. 1291. What remained was no more than "interlocutory" and could only reach the Court of Appeals for review when made final for 28 U.S.C. 1291 to apply again or when certified to that Court under U.S.C. 1292. Neither occurred.

In reaching its decision to deny availability of laches to petitioners, the Seventh Circuit accepted as established fact certain allegations made by Union Carbide, on the Court's invitation to respond to Part II of the petition for rehearing, without affording petitioners the opportunity to respond to those allegations. This procedure is contrary to the basic notions of fair play which the due process clause of the Fifth Amendment guarantees. The adversary system can not be expected to result in the even handed administration of justice if one party is denied the opportunity to be heard, and to present the facts most favorable to their position. The arbitrary and capricious manner in which the Seventh Circuit ruled that the defense of laches had been waived prevented the petitioners from presenting any of the facts on their behalf.

Such glaring violation of petitioners' rights is fundamental to this cause and taints any proceedings which took place subsequent to such violation.

Daniel Webster, in a proceeding before this honorable court, said: "The law should proceed upon inquiry, and only render judgment after *hearing all the facts*". That statement is just as appropriate today as it was in the early 19th century. Regrettably, in this instant case, this basic principle has not been observed.

In its sua sponte decision denying laches against the facts in the record and the law dealing with such pro-

cedure, the U.S. Court of Appeals for the Seventh Circuit has "so far departed from the accepted and usual course of judicial proceedings * * * as to call for an exercise of this Court's power of supervision." Supreme Court Rule 19.1(b).

III.

THE INJUNCTION AS MODIFIED BY THE SEVENTH CIRCUIT WAS EXCESSIVE, PARTICULARLY IN NOT ALLOWING A PERIOD FOR ORDERLY TRANSITION EVEN THOUGH PETITIONERS HAD NOT BEEN CHARGED WITH BAD FAITH AND HAD WON A COMPLETE VICTORY IN THE DISTRICT COURT. THE INJUNCTION WAS ALSO EXCESSIVE IN PROHIBITING USE OF EVER-READY ON DESK LAMPS AND ON BULBS FOR DESK LAMPS, IN VIEW OF THEIR LONG STANDING USEAGE AND THAT THEY WERE OUTSIDE OF UNION CARBIDE'S U.S. PATENT OFFICE TRADEMARK REGISTRATION CERTIFICATES AS WELL AS ITS COMPLAINT BASED ON THOSE CERTIFICATES.

IV.

THE PRACTICE OF THE SEVENTH CIRCUIT COURT OF APPEALS AS INDICATED BY THE FOREGOING LACK OF DUE PROCESS MUST BE DECLARED IMPROPER AS PROTECTION TO ALL LITIGANTS SIMILARLY SITUATED AND AS A MATTER OF PUBLIC IMPORTANCE.

Petitioners, pursuant to their request for extension of time in which to file this petition and as granted, had anticipated that they would secure the services of professional counsel to present this petition. For this reason, and while still strenuously seeking counsel, petitioners had not prepared this petition.

This left petitioners with inadequate time to prepare and present all of their arguments, particularly as to III. and IV., above.

As to those arguments, petitioners stand on these brief statements above.

As to the affirmative defense of laches, we submit that there has been no valid adjudication and for all of the reasons and law presented above, the Order in 77-1378 and 77-2035 should be vacated and petitioners should have their right to initial adjudication of this issue by the District Court restored.

CONCLUSION

The facts and the law have been amply detailed above. If this Court agrees with their validity, a writ should issue to review or vacate the judgment of the United States Court of Appeals for the Seventh Circuit.

Respectfully submitted,

MARK GILBERT, petitioner, pro se
315 South Peoria Street
Chicago, Illinois 60607
(312) 226-2100

79-1057

No.

Supreme Court, U. S.
FILED
JAN 5 1980
MICHAEL RODAK, JR., CLERK

In the

Supreme Court of the United States

OCTOBER TERM, 1979

~~EVER-READY INCORPORATED, a corporation and~~
MARK GILBERT, an individual,

Petitioners,

vs.

UNION CARBIDE CORPORATION, A Corporation,

Respondent.

APPENDIX TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

MARK GILBERT, *Petitioner, pro se*
315 South Peoria Street
Chicago, Illinois 60607
(312) 226-2100

January 6, 1980

The Scheffer Press, Inc.—(312) 263-6850

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APPENDIX

UNITED STATES COURT OF APPEALS
For the Seventh Circuit
Chicago, Illinois 60604

August 9, 1979.

Before

Hon. THOMAS E. FAIRCHILD, *Chief Judge*
Hon. LUTHER M. SWYGERT, *Circuit Judge*
Hon.

UNION CARBIDE CORPORATION, a corporation,
Plaintiff-Appellee,

No. 77-1378—77-2035

vs.

EVER READY, INC., a corporation, and
MARK GILBERT, an individual,
Defendants-Appellants.

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.

No. 71-C-3151

Judge GEORGE N. LEIGHTON

On consideration of the petition for hehearing (en banc consideration requested) filed in the above-entitled cause by counsel for the defendants-appellants, no judge in active service has requested a vote thereon*, and a majority of the judges on the original panel have voted to deny a rehearing. Accordingly,

IT IS ORDERED that the aforesaid petition for rehearing be, and the same is hereby, DENIED.

---

* Honorable Philip W. Tone took no part in the consideration of the petition for rehearing en banc.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

Nos. 77-1378 & 77-2035

UNION CARBIDE CORPORATION, a corporation,
Plaintiff-Appellee, Respondent.

vs.

EVER-READY INCORPORATED, a corporation, and MARK GILBERT, an individual,
Defendants-Appellants. Petitioners.

Appeal from the United States District Court
on remand, for the Northern District of Illinois,
Eastern Division.
(71-C-3151)
GEORGE N. LEIGHTON, *Judge.*

Appeal from the United States Court of Appeals
for the Seventh Circuit.
No. 75-1371

PETITION FOR REHEARING
EN BANC CONSIDERATION REQUESTED

Defendants-Appellants,	Mark Gilbert, pro se
Petitioners	315 So. Peoria Street
Ever-Ready Incorporated and	Chicago, Illinois 60607
Mark Gilbert.	(312)) 226-2100

June 26, 1979

U.S.C.A.—7th Circuit
Received in Clerk's Office Jun 27 1979
Thomas F. Strubbe, Clerk

After 33 Years Ever-Ready Inc. Terminated by Union Carbide Corporation And Order Of The Federal Judiciary
Mark Gilbert/Conservator

Ever-Ready, inc. 315 South Peoria St. Chicago, Ill. 60607 Phone: (312) 226-2100

June 28, 1970

Re: Union Carbide Corp. v. Ever-Ready, Inc. & Mark Gilbert

Nos. 77-1378, 77-2035 and 75-1371

Mr. Thomas F. Strubbe, Clerk
U.S. Court of Appeals
219 So. Dearborn Street
Chicago, Illinois 60604

Dear Mr. Strubbe:

Pursuant to the rules of this Court, allowing fourteen days from date of its Unpublished Order, Not To Be Cited, dated June 13, 1979, I appeared in your office for timely filing of a Petition For Rehearing at 3:30 P.M. of June 27, 1979.

Deputy Clerk, Naughton, rejected my petition on the ground that it did not contain a Table of Contents as required, pursuant to revised Rule 28 (1) as it now appears in the Circuit Rules of the Seventh Circuit, Amended April 1, 1979. I pointed out that although the words Table of Contents were not used, the table was included, so arranged on pages 1-3 and asked that the petition accordingly be accepted. He stated that such was within the discretion of the Clerk's Office and that he was rejecting the petition.

Deputy Clerk Naughton then suggested that I return to my office and prepare a Table of Contents and return the following day to file my petition. I pointed out that if I did so, my petition woud be rejected by this Court because of untimely filing and requested use of a type-

writer in your office for timely preparation of the Table. Mr. Naughton advised that your office had no obligation to furnish me a typewriter and rejected my request. Thereupon, I proceeded to search the building for an available typewriter.

I found one, prepared a Table of Contents, so entitled, and returned before your office closed. Deputy Clerk Naughton ran 30 xerox copies of the Table at a charge of $15.00 and accepted those copies to go with the 25 copies of the petition, as required for en banc consideration, and they were timely filed.

The table of contents, hurriedly typed yesterday, while meeting the requirements of Rule 28 (1) contained typing errors and while identifiable did not completely reproduce the title page of the petition.

To assist the Seventh Circuit in its search for justice, I am enclosing 25 copies of a revised table of contents and 25 copies of this letter, both to be directed to all of the Justices of the Seventh Circuit for inclusion with the petitions as filed.

Sincerely yours,
/s/ Mark Gilbert
Mark Gilbert, Petitioner
Defendant-appellant, pro se.

Encl: 25 each, copies of this letter and revised table of contents
Copies, Mr. John H. Morrison, 2 each

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
Nos. 77-1378 & 77-2035
UNION CARBIDE CORPORATION, a corporation,
Plaintiff-Appellee, Respondent.
vs.
EVER-READY INCORPORATED, a corporation, and MARK GILBERT, an individual,
Defendants-Appellants. Petitioners.
Appeal from the United States District Court
on remand, for the Northern District of Illinois,
Eastern Division.
(71-C-3151)
GEORGE N. LEIGHTON, *Judge.*
Appeal from the United States Court of Appeals
for the Seventh Circuit.
No. 75-1371

PETITION FOR REHEARING EN BANC CONSIDERATION REQUESTED

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IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

Nos. 77-1378 & 77-2035

UNION CARBIDE CORPORATION, a corporation,
Plaintiff-Appellee, Respondent.

vs.

EVER-READY INCORPORATED, a corporation, and MARK GILBERT, an individual,
Defendants-Appellants. Petitioners.

Appeal from the United States District Court
on remand, for the Northern District of Illinois,
Eastern Division.
(71-C-3151)
GEORGE N. LEIGHTON, *Judge.*

Appeal from the United States Court of Appeals
for the Seventh Circuit.

No. 75-1371

PETITION FOR REHEARING
EN BANC CONSIDERATION REQUESTED

Ever-Ready Incorporated and Mark Gilbert, defendants-appellants, present this petition for rehearing in the above-entitled cause, and, in support thereof, respectfully submit:

1. This Court, by its questions on oral argument and by its Order of June 13, 1979, confirms that plaintiff's rights to its mark are limited to the products in its trademark registrations, those limitations detailed in its Complaint in identical and minutely exact and very precise language, nowhere reaching beyond the products listed on the registrations held at the start of litigation. This Court, nevertheless, using or ratifying the use of such ambiguous terms as "mini-bulbs" and "lamps", injudiciously failed to follow those limitations, and to properly

narrow the mandate in No. 75-1371 and the consequential Remand Court injunction. Indeed, this Court's narrowing of the scope of the injunction which resulted from the mandate in No. 75-1371 appears to be mere cosmetic surgery, which has no impact on the structural errors in the No. 75-1371 mandate giving the appearance of redress where no redress in fact has been made.

2. This Court's Order while providing relief to all users of Ever-Ready on electrical products affords no relief to defendants on their electrical products, namely desk lamps and high intensity replacement bulbs for high intensity desk lamps. Thus Ever-Ready Incorporated becomes the only user of the term Ever-Ready on eelctrical products excluded from the relief granted to all other users.

3. This Court has never denied the false statements made by a panel of this Court in 75-1371, in clear contradiction of the trial record, as incontrovertibly documented in appellants' brief and reply brief and in the Robertson amicus curiae brief appearing as Foreward in appellants' reply brief.

4. In affirming the remand court's findings, this Court injudiciously failed to discuss the specific pleadings and evidentiary materials presented in defendants—appellants' brief and reply brief, dealing with

a) Confusion and likelihood of confusion;
b) the affirmative defense of laches;
c) the affirmative defense of misuse of mark in violation of antitrust law;
d) incorrect view of the law taken by this Court's panel in No. 75-1371;
e) erroneous assumption of facts by this Court's panel in No. 75-1371, which erroneous assumption was central to the disposition of the case;
f) the perpetration of fraud upon this Court by plaintiff-appellee;

g) the violations of due process suffered by the defendants in the sua sponte determination of laches and in the proceedings of the District Court on remand, and an unfair trial where fraudulent, unauthorized stipulations giving away triable issues, previously argued in the Marshall trial, were used as the determinative findings of fact.

Instead of judiciously discussing those issues, this Court rejected, out of hand, all of appellants' pleas under law and equity, turning to the blanket phrase "without merit", the phrase relied upon by plaintiff-appellee which found itself unable to address those issues.

5. This Court rejected, without explanation, all evidences of plaintiff's "Unclean Hands" as indisputably documented in appellants' brief and reply brief, those evidences never addressed or denied or explained by plaintiff, other than by use of the phrase "without merit" and without explanation of that phrase by plaintiff, in its brief or on oral argument, those same "Unclean Hands" evident on oral argument in continued false and deceptive distortion of facts.

6. If this Court's Order means to suggest relief to appellants (where none has been factually granted), this Court did not address itself to the status of the corporate defendant, Ever-Ready, Inc., dismissed out in appellants' basic appeal, No. 77-1378 by Order dated December 23, 1977 and restored by Order dated March 23, 1979 only as to 77-2035, an appeal from a contempt Order, (Reply brief, Motion For En Banc Consideration at 4).

7. This Court having ruled that the Remand injunction is overbroad and therefore invalid, the contempt Order, appealed from under 77-2035, must be reversed as a valid Order cannot derive from an invalid Order. This Court has acted injudiciously in failing to strike down the contempt Order.

8. This Court, in its collateral Order of June 13, 1979, dealing in costs, in equity states: "Each party to bear its own costs." This Court in 75-1371 did not apply the same equitable consideration to costs.

9. This Court's UNPUBLISHED ORDER OF JUNE 13, 1979 (NOT TO BE CITED PER RULE 35) should be revised taking the form of a published Opinion pursuant to the same cited Circuit Rule 35(c) (1) (i), (ii), (iv) and (v). This request should be considered an appropriate motion for reasons as detailed below.

10. Consideration of this Petition should follow upon full briefing, permitting plaintiff-appellee to answer the issues raised herein and defendants-appellants to respond to that answer, so that the lack of due process which clouded the petition for rehearing in No. 75-1371 may be definitively remedied.

11. This petition for rehearing should be considered en banc as it is incumbant upon this Court to avoid even the appearance of bias and impropriety.

I

This Court, on hearing oral arguments on May 25, 1979, clearly perceived that Remand Judge George N. Leighton's Judgment Order and Injunction had reached beyond the limitations imposed by plaintiff's trademark registrations and beyond its complaint which scrupulously and most fastidiously avoided even a dot or a comma which might be interpreted as a departure from rights and prescribed lawful limitations which might be afforded by those registrations. This Court's recognition of those lawful restrictions are clearly confirmed in this Court's Unpulished Order of June 13, 1979 wherein on page 2, paragraph 2, after reciting its "not unmindfults" stated "Neither of these points, however, permit an injunction to go beyond the scope of appropriate relief" and continued in paragraph 3 of that page with "Thus the injunction issued by the district court on March 3, 1977 was overbroad."

II

RELIEF TO ALL BUT APPELLANT

In its Order this Court further stated: "There is no evidence to indicate that plaintiff's trademark registration is so broad as to cover 'any electrical product.'"

(A) By its mandate, this Court has now relieved all other users of Ever-Ready with the sole exception of Ever-Ready Incorporated and Mark Gilbert from the opprobrious dictum forbidding the use of Ever-Ready on "any electrical products products not sold by or under the authority of Union Carbide Corporation". Thus GTE Sylvania Inc. is now free to sell their electrical wiring devices; thus Sears Roebuck and Co., may now market their Ever Ready electric motors, part of their Ever Ready water supply systems; thus American Safety Razor Corporation is now free to sell their Ever-Ready electrical shavers and thus all others are equally free to market their Ever-Ready/Eveready electrical products. It is also reasonable to assume that any of them, even remotely so interested, are free to market Ever-Ready desk lamps since they are as unlike Eveready batteries as any of the products they are now selling which likewise are not listed in Carbide's certificates of registration; that any of them may also elect to market high intensity light bulbs since they are "large lamps' as distinguished from Eveready "miniature light bulbs", "large lamps" not appearing in Carbide's valid certificates of trademark registration. By this Court's Order, the sole exclusion from use of Ever-Ready on electrical products remains appellants, Ever-Ready Incorporated and Mark Gilbert.

(B) Nevertheless, this Court's Order further states: "We have already noted that there is no evidence of confusion extending to all electrical products wherever and however marketed by defendants." However having recognized the limitations imposed by trademark registrations and a complaint reciting claims within those limitations, this Court reached for the ambiguous language used

by the panel in Carbide's appeal, 75-1371, 531 F.2d 366 (7th Cir.) at 389 which held that "an appropriate injunction", might bar Ever-Ready from using its name in the trade "in connection with eletrical products such as mini-bulbs and lamps", without responding to defendants-appellants' pleading that "mini-bulbs" is only a fanciful and arbitrary term used solely by appellants and not in any way synonymous with or descriptive of "miniature light bulbs" (Appellants' Reply Brief at 11) and that "lamp" itself has an ambiguous meaning (either light bulbs or receptacles for light bulbs) and that therefore the mandate itself was and is confusing and in need of clarification for the guidance of any remand court. This Court has not even taken the trouble to bring clarity to its own mandate, let alone to correct manifest injustice.

(C) Further, this Court, in manner reminiscent of the earlier panel in 75-1371, wherein that panel grossly misstated the record (appellants' Reply Brief at 18) to the benefit of Union Carbide, declares that the mandate "in connection with electrical products such as mini-bulbs and lamps" • • • "paralleled plaintiff's prayer for relief in its complaint • • • covering 'any products such as electric flashlights and accessories, lanterns, batteries and miniature lamp bulbs for flashlights, lanterns, lamps, toys, novelites, and automotive, aircraft, marine and related uses or services connected therewith'." As defendants-appellants pointed out in their April 7, 1978 brief at POINT IX at 58-59, such parallel does not exist in fact or in language, and this Court has grievously erred in positing such a fictitious parallel.

(D) Regarding the possibility that the remedies of the owner of a registered trademark may not be limited to the goods specified in the certificate, this Court cites *Continental Motors Corp.* v. *Continental Aviation Corp.*, 375 F.2d 857, 861, 5th Cir. 1967, indicating that remedies may extend beyond the listed goods only to the extent that there is a likelihood of confusion. At no time has this Court distinguished between expansionable rights of a

strong mark (fanciful and arbitrary) and Eveready, possibly the weakest of all trademarks. Moreover, this Court has cavalierly ignored the weight of the evidence that the only likelihood of confusion deceptively presented in this litigation was advanced by bald fraud and suborned perjury (defendants-appellants' Reply Brief at 8 and 9, all of which were totally rejected by the finder of fact, the original trial Court.

(1) The word lamps, as used in plaintiff's trademark registrations and in its complaint, is limited to bulbs for lamps and the part not limited to bulbs does not mention anything that could reasonably be construed to include lamps as desk lamps. The nearest word is lanterns. A lantern is something which you carry not a plug-in device for the desk. Thus, if the word lamps is pertinent to desk lamps, its use was voided in the complaint except for the bulbs for lamps and those bulbs were "miniature lamp bulbs", specifically and properly limited to lamps which are battery operated devices such as a battery operated lamp attached to a coal miner's cap.

(2) Desk lamps apparently were not within the thinking of the drafter of the 1976 decision denying laches or he could hardly have said that the products involved were not until 1971. It is difficult for anyone reading the record and viewing the exhibits to understand anyway, as the evidence as to the much earlier use of Ever-Ready on lamp bulbs negates "1971". Nevertheless, lamp bulbs could have been more easily overlooked by the drafter of "1971" than the preponderance of the evidence of widely advertised desk lamps since 1945, so that at the time he drafted that first draft of that decision he may have been thinking of lamp bulbs only which is partly made easy by the fact that the word lamps is sometimes used for lamp bulbs too.

(3) The only proffered evidence of confusion as to desk lamps is one of the two-stroke surveys, both rejected by the trier-of-fact, who given the preponderance of evi-

dence negating their pertinence stated "I conclude that the surveys are entitled to little, if any, weight". Hence, it would be easier for the Court to realize that maybe something is wrong with respect to desk lamps, both because evidence of confusion is dubious and because the law there was clearly on the side of the long use of Ever-Ready on desk lamps prior to any complaint by plaintiff and furthermore as indicated in point (D) (1), plaintiff continued its laches as to desk lamps right along through the filing of the complaint because they failed to mention desk lamps, even lamps per se in the complaint.

(4) The lack of due process on laches, perhaps especially pertinent to desk lamps, is even more clear than the failure to permit arguments on the question of laches, resulted in overlooking more than twenty six years of desk lamp sales, well advertised.

(5) This Court has failed to distinguish between high intensity bulbs which are classified everywhere, including the patent office, as large lamps and "miniature lamp bulbs" classified everywhere, including the patent office, wherein trademark registrations are filed, as light bulbs powered by batteries. Plaintiff appellee, knowing full well that its trademark registrations did not include high intensity bulbs, "large lamps", PURSUED THE REGISTRATION OF "LARGE LAMPS" INCLUDING HIGH INTENSITY LIGHT BULBS ON FEBRUARY 10, 1975, THREE YEARS AFTER IT FILED ITS COMPLAINT AND EIGHT DAYS BEFORE ANNOUNCEMENT OF THE MARSHALL OPINION (Appellants' Reply Brief at 12), thereby CONCEDING the WEAKNESS of its mark and its INAPLICABILITY to defendants-appellants' high intensity bulbs, "large lamps".

(6) Moreover, on the question of likelihood of confusion between high intensity bulbs "large lamps" and "miniature light bulbs", found non-existent by the trier-of-fact, this Court should take judicial notice that plaintiff itself concedes no likelihood of consumer confusion, as through

the voice of its Own Manager of Consumer Products, Marion Sigovich, wherein to avoid any trademark "nexus" with the acts alleged to be antitrust violations, he belittled reliance on trademarks in the light bulb industry. In effect, he stated that no one relies on trademarks in buying replacement bulbs—they just match the bulb type with whatever make the store they enter is carrying. (Appellants main brief at 33). This Court failed to treat that decisive point as also raised by one amicus as he pointed out that this was inconsistent with Carbide's previous position, that regardless of laches an injunction was needed to protect purchasers, inviting this Court's disposition of the case on the ground that clearly no injunction was needed to protect the consumer. (Appellants' Reply Brief, Amicus Robertson at -b-).

(7) Had any other electrical product, or for that matter, any other non-electrical product, been substituted for Ever-Ready's desk lamps or high intensity light bulbs, in the defective surveys, resurrected by this Court's Panel in 75-1371, that product would have then and would now, despite this Court's rejection of "any other electrical products", be condemned and tarred with likelihood confusion.

III

FACTS CREATED OUT OF THIN AIR

This Court's panel in 75-1371, meeting a test of laches, presented as factual, maong others, these grossly erroneuos representations:

> "Prior to 1971, Ever-Ready did not market the electrical products involved in this case under its own name.
>
> "• • • In 1971, Ever-Ready began marketing the products involved in this case. Carbide filed its complaint on December 30, 1971. The time lapse is insufficient to establish laches on the facts of this case." (531 F.2d 366 at 388, 389. Appellants' brief at 20-21).

Those fictitious statements born out of thin air and relied upon to dismiss laches and deprive appellants of due process, have never been denied by this Court. This Court has refused to consider those misstatements in clear contradiction of the record, or, if considered, rejected all documentation pointing to that dereliction, in appellants' Motion to Reconsider and Vacate the Order of April 14, 1979, in their briefs and on oral argument, other than to characterize all such submittals as "without merit". Plaintiff, in its Reply to the Motion to Reconsider, while taking note of those fabrications, could do no more than characterize them as "inaccuracies". (Reply, Page 3, line 2).

IV.

"WITHOUT MERIT" AND WITHOUT EXPLANATION

This Court, to all of defendants-appellants' Motions and pleadings, wherein defendants prayed for explanation, in the event of denial, and all of the substance of those pleadings having been DENIED, has uniformly offered as total explanation the phrase "WITHOUT MERIT", that phrase consistently relied upon by plaintiff-appellee, who unable to address the issues, repeatedly used that same phrase, "WITHOUT MERIT" and WITHOUT EXPLANATION throughout its pleadings and its brief in response to defendants-appellants' main brief.

Likewise, this Court has rejected all of defendants-appellants' irrefutable documentation and arguments in their brief, reply brief and on oral argument with the same formula conclusion "WITHOUT MERIT" and WITHOUT ANY EXPLANATION OF WHY SUCH DOCUMENTATION AND ARGUMENTS WERE "WITHOUT MERIT".

In affirming all of the Remand Court's Findings and Conclusions, while rejecting as overbroad "any other electrical products not sold by or under the authority of

Union Carbide Corporation", this Court failed to discuss the specific pleading and evidentiary materials bearing on law and equity, presented in defendants-appellants' brief and reply brief, dealing with

a) all documentation and arguments as to "confusion and likelihood of confusion"; Disposed of as "WITHOUT MERIT" and "WITHOUT EXPLANATION. To consider possible merit, see appellants' brief at 10-12, 31-35, A31, A32, A34. Reply brief at 8, 9, 28, 29.

b) all documentation and arguments as to the "affirmative defense of laches"; Dealth with as "WITHOUT MERIT" and WITHOUT EXPLANATION. To consider possible merit, see brief at 17-29, A1-A24, Reply brief at a-2, 13-28, 41.

c) all documentation and arguments as to the "affirmative defense of misuse of mark in violation of antitrust law", Disposed of as "WITHOUT MERIT" and WITHOUT EXPLANATION. To consider possible merit, see Brief at 37-47, 51, 54, A25-A27, Reply brief at 30-38.

d) all documentation and arguments as to the "incorrect view of the law taken by this Court's panel in 75-1371; Disposed of as "WITHOUT MERIT" and WITHOUT EXPLANATION. To consider possible merit, see Reply brief at 3, 5, 7.

e) all documentation and arguments as to the "erroneous assumption of facts by this Court's panel in 75-1371, which erroneous assumption was central to the disposition of the case"; Dealth with as "WITHOUT MERIT" and WITHOUT EXPLANATION. To consider possible merit, see Refly brief at 8, 30, 38.

f) all documentation and arguments as to "the perpetration of fraud upon this Court"; Disposed of as "WITHOUT MERIT" and WITHOUT EXPLANATION. To consider possible merit, see Brief at 17-24, 31-47, A1-A32, Reply brief at 11-29, 41.

g) all documentation and arguments as to the "violation of due process suffered by defendants-appellants in the sua sponte determination of laches and in the proceedings in the District Court on remand, and an unfair trial where fraudulent unauthorized stipulations, giving away triable issues, previously argued in the Marshall trial, were used as the determinative findings of fact"; Disposed of as "WITHOUT MERIT" and WITHOUT EXPLANATION. To consider possible merit, see brief at 17-24, 31-51, A1-A16, A28, A29, Reply brief at amicus a-e, 13-18, 29.

This Court has never explained WHY defendants-appellants' undeniable documentations and arguments "are without merit". Attention is called to the first recommendation of Amicus Robertson on page "e" of defendants' brief, the Robertson recommendation reading:

> "THIS AMICUS DOES NOT SEE HOW THE COURT CAN, WITH JUDICIAL INTEGRITY ALLOW THE DETERMINATION AGAINST LACHES TO STAND. IF IT IS ALLOWED TO STAND, THE JUDICIAL INTEGRITY THEREIN SHOULD BE FULLY EXPLAINED."

Does this Court *want* to leave a situation in which defendants-appellants and all who have studied this case, can reasonably believe that this Court knows it could not "explain" as this amicus urged, but lacked the judicial integrity to admit its error?

V.

PLAINTIFF'S UNCLEAN HANDS

This Court rejected, without explanation, all evidences of plaintiff's "Unclean Hands", some examples of which are:

(A) Plaintiff, invited to respond to Part II of defendants' Petition for Rehearing in 75-1371, in that "Answer" falsely stated:

"Defendants' summary of the 'hard evidence' relating to the laches defense is not supported by the Record • • • There is no evidence whatever of such continuous trademark use by defendants. • • • Nowhere in the Record is there testimony or documentary evidence of any such use of such mark on fluorescent lamps continously to the date of trial, nor even as late as 1952." (App. 218, 255). (Pl. Answ. Part II, p. 3).

"Although defendant Gilbert testified on direct examination that importation of the lamps from Japan was commenced in 1968 (App. 226), on cross examination it developed that as late as December of that year the infringing mark did not appear on those lamps nor in their packaging or advertising, but was added subsequent to 1968 (App. 269-270)" (Pl. Ans. to Part II, p. 4).

For irrefutable documentation of the bald falsity and deception in those statements see defendants-appellants' brief at 18-24, A18-A24, Reply brief at 13, 15-18, A4-A8.

(B) Plaintiff, on page 17 of its brief, advances its deception with:

"Moreover, the critical date is 1971, when the infringement was discovered and protested by plaintiff, and the action was brought."

For documentation of that untruth and deception see defendants' Reply brief at 18-21, A12-A14, Amicus Robertson at -d-.

(C) Plaintiff suborned perjury of Lawyer Speckman's secretary, witness Linda Bailis who testified:

"I told her that these weren't the bulbs I wanted, that I wanted EVEREADY bulbs made by Union Carbide Company. I showed her that it didn't say 'Union Carbide Company'. She told me that it didn't

have to say 'Union Carbide Company' because EVEREADY was their brand name, and that was common knowledge, and that I was making a Mistake". See defendants' brief at 31-33, A-33, Reply brief at page 8, H(1).

Plaintiff's "Unclean Hands" were further in evidence as Lawyer Morrison, in oral argument stated:

"No Court to this date has ever held unlawful the single, simple agency agreement which the only antitrust violation alleged." Transcript, p. 21.

Lawyer Morrison, at all times, has known full well that Union Carbide's "agency agreement" with General Electric Co., violated antitrust law as conceded by General Electric by its failure to appeal the decision which held "agency contracts" illegal in *United States* v. *General Electric Co.*, 358 F. Supp. (S.D.N.Y.) and which May, 1973 decision found that General Electric "Agency Contracts" violated Sec. 1 of the Sherman Act on the basis of price fixing. Further, in 1971, when Carbide brought its law suit, the G.E./Union Carbide "agency agreement" was in full effect. Given the adverse decision on "agency contracts", General Electric gave Union Carbide notice of termination of the miniature lamp agency contract by letter dated February 28, 1974, ending a 60-year relationship (Exh. C, Pl. trial brief, 10/11/76, DX-168). (Def. Brief at 54-56, A26-A27, A35-A35A, Reply brief at 30-38, Amicus Robertson at -c-.

The propensity for deception by Lawyer Morrison may be further seen from the following exhange:

Morrison: "• • • Judge Leighton himself, by the way, wrote the order; counsel did not write the order that was entered, the judgment order."

Justice Swygert: "You mean the Court—"

Morrison: "Yes, sir, Judge Leighton wrote the order. We did not."

It was only on continued questioning by Justice Swygert that Morrison conceded that "We submitted drafts. • • • Yes, sir, we did" and on further questiong as to the scope of the order, Morrison concluded with "Reasonably close, I would say".

VI.

CORPORATE DEFENDANT

If this Court's Order intended to suggest even an iota of relief to defendants, it failed to clarify and amend the status of the corporate defendant, Ever-Ready Incorporated, without which even token relief would have been without meaning. This Court should reconsider all of the intervening pleading relating to such status. See August 18, 1978 Motion for En Banc Consideration, p. 4.

VII.

INVALID COMTEMPT ORDER

The contempt Order appealed from in 77-2035 must be reversed since this Court ruled that the Remand Order is overbroad and, as written, therefore invalid. A valid Order cannot derive from an invalid Order.

VIII.

COSTS IN 75-1371 ASSESSED IN ERROR

This Court's collateral Order of June 13, 1979 appears to have equitably assessed costs stating "Each party to bear its own costs." That same equitable consideration was not applied by this Court in 75-1371.

In the proceedings, plaintiff argued for costs on the basis that defendant "has wilfully engaged in a deceptive trade practice". The panel in 75-1371 specifically stated: "We find no evidence of bad faith on the part of Ever-Ready". With equitable consideration, those costs should be reversed.

IX.

UNPUBLISHED ORDER SHOULD TAKE THE FORM OF PUBLISHED OPINION

This Court cites Circuit Rule 35 in support of its "UNPUBLISHED ORDER, NOT TO BE CITED" but failed to follow Rule 35 "Guidelines, Published Opinions shall be filed in appeals which

(c)(1)(i) "Establish a new or change an existing rule of law"; It is indeed a change in the rule of law when this Court accepts as valid, its own panel's false and crucial misstatements of fact in contradiction of the trial record as it did in 75-1371.

(c)(1(ii) "Involve an issue of continuing public interest"; Continuing public interest must be observed as evident from the series of articles which have appeared on the lack of due process in this case as published by the Chicago Daily Law Bulletin and as further evidenced by letters of concern and interest with this case by U.S. Senators of the Senate Judiciary Committee, such as Edward M. Kennedy, Strom Thurmond, John C. Culver, Charles McC. Mathias, Jr., Malcolm Wallop, Birch Bayh and, among others, Joseph R. Biden, Jr., those Senators presently considering Senate Bills S.522, the Judicial Council Amendments and Discipline Act of 1979 and S.678, the Kennedy bill bearing on such legislation, and the further interest and concern of members of the House Judiciary Committee such as Congressman Thomas N. Kindness, which committee is concerned with similar legislation.

(c)(1(iv) The subject matter of these proceedings must be seen to "Constitute a significant and non-duplicative contribution to legal literature."

(c)(1)(v) This Court did "Reverse a judgment or deny enforcement of an order when the lower court or agency has published an opinion supporting the order.

X.

FULL BRIEFING

Consideration of this Petition For Rehearing should follow full briefing, permitting plaintiff-appellee to address itself to the issues again raised herein and defendants-appellants must be permitted to respond to that answer to avoid the lack of due process which stemmed from plaintiff's false statements in its "Answer" to the Petition For Rehearing in 75-1371, wherein this Court did not permit defendants an opportunity of documenting those untrue statements. Certainly plaintiff and this Court should welcome full briefing of this petition to minimize the potential of a clouded Opinion.

XI.

EN BANC CONSIDERATION REQUESTED

With concern for all of the relevant consideration as detailed in Points I through X, above, this petition should be considered en banc. While it may be unusual for a Court of Appeals to sit in review of one of its own panels, this Court has inherent power to inquire into the integrity of its own judgment. *Root Refining Co.* v. *Universal Oil Products Co.*, Third Circuit, 1948.

There can be no discredit to a Court which will redress its own wrongs.

Respectfully submitted,

/s/ Mark Gilbert
Mark Gilbert, pro se
315 So. Peoria Street
Chicago, Illinois 60607
(312) 226-2100

June 27, 1979

State of Illinois)
) SS
County of Cook)

AFFIDAVIT INCLUDING PROOF OF SERVICE

Mark Gilbert, being duly sworn, deposes and says:

1. That he is the defendant-appellant, pro se; that he has read the foregoing Petition For Rehearing; that the facts stated therein are true and correct to his personal knowledge, information and belief or are matters of record and of law.

2. That two copies of the petition together with this affidavit and proof of service were served upon John H. Morrison, Kirkland & Ellis, 200 E. Randolph Drive, Chicago, Illinois 60601, by U.S. mail this date.

/s/ Mark Gilbert
Mark Gilbert, defendant-appellant, pro se
315 So. Peoria Street
Chicago, Illinois 60607
(312) 226-2100

Subscribed and sworn to before me
this 27th day of Juine, 1979.
/s/ Sam Okmin
Notary Public

UNITED STATES COURT OF APPEALS
For The Seventh Circuit
Chicago, Illinois 60604

ARGUED: May 25, 1979

June 13, 1979

Before

Hon. Thomas E. Fairchild, Chief Judge
Hon. Luther M. Swygert, Circuit Judge
Hon. Robert L. Kunzig, Judge[1]

UNION CARBIDE CORPORATION, a corporation,
Plaintiff-Appellee,

Nos. 77-1378, 77-2035

vs.

EVER-READY, INC., a corporation, and
MARK GILBERT, an individual,
Defendants-Appellants.

Appeals from the United States District Couurt for the Northern District of Illinois, Esatern Division.

No. 71-C-3151

George N. Leighton, Judge.

ORDER

In this case involving trademark infringement, defendants' principal challenge concerns the propriety of a permanent injunction entered against them by the district court on March 3, 1977.[2] Defendants contend, *inter alia*, that the injunction entered was improperly broad. We agree with defendants that the scope of the injunction exceeded that contemplated in the previous mandate of this court, and we remand with directions to modify the injunction. Finding the rest of defendants' arguments to be without merit, however, we otherwise affirm the orders of the district court.

[1] The Honorable Robert L. Kunzig, Judge of the United States Court of Claims, is sitting by designation.

[2] Besides the March 3, 1977 order, defendants also appeal from an order of October 13, 1977, judging them in contempt of court for failure to comply with the March 3, 1977 order.

The trademark infringement forming the basis of this case was first before this court in *Union Carbide Corporation* v. *Ever-Ready Incorporated*, 531 F.2d 366 (7th Cir.), *cert. denied*, 429 U.S. 830 (1976). At that time we directed the district court on remand to consider the entry of an "appropriate injunction." *Id.* at 389. We indicated that the injunction, if entered, might bar Ever-Ready from using its name in the trade "in connection with electrical products such as mini-bulbs and lamps." *Id.* This indication of the proper scope of the injunction paralleled plaintiff's prayer for relief in its complaint, which repeatedly asked for injunctive relief covering "any products such as electric flashlights and accessories, lanterns, batteries, and miniature lamp bulbs for flashlights, lanterns, lamps, toys, novelties, and automotive, aircraft, marine and related uses or services connected therewith." The injunction entered by the district court on remand, however, extended the injunction to include "any other electrical products not sold by or under the authority of Union Carbide Corporation. . . ."

We are not unmindful of the fact that plaintiff at one point in its complaint also sought to have the injunction cover "any goods or services, in any manner which is likely to cause confusion, mistake or deception as to the source of said goods or services." Nor are we unmindful of Federal Rule of Civil Procedure 15(b), which provides for treatment of issues tried by the consent of the parties as if they had been raised in the pleadings. Neither of these points, however, permits an injunction to go beyond the scope of appropriate relief.

There is no evidence to indicate that plaintiff's trademark registration is so broad as to cover "any electrical

product." It may be true that the remedies of the owner of a registered trademark are not limited to the goods specified in the certificate, *see Continental Motors Corp.* v. *Continental Aviation Corp.*, 375 F.2d 857, 861 (5th Cir. 1967), but those remedies may extend beyond the listed goods only to the extent that there is a likelihood of confusion. *Id.* We have already noted there is no evidence of confusion extending to all electrical products wherever and however marketed by the defendants. *Union Carbide Corporation* v. *Ever-Ready Incorporated, supra* at 389. Thus the injunction issued by the district court on March 3, 1977 was overbroad.

Having reviewed the remainder of defendants' arguments, including those dealing with laches, due process, and the antitrust defense, we find them to be without merit. Accordingly, the orders of the district court of March 3 and October 13, 1977 are affirmed except as to the scope of the injunction. On that issue, we remand with directions to enter a modified injunction which conforms with this order. Any products or services falling within the scope of the injunction as modified shall be specifically identified in accordance with Federal Rule of Civil Procedure 65(d).

IT IS SO ORDERED.

IN THE UNITED STATES DISTRICT COURT
For the Northern District of Illinois
Eastern Division

UNION CARBIDE CORPORATION, a corporation, *Plaintiff,* *vs.* EVER-READY INCORPORATED, a corporation, and MARK GILBERT, an individual, *Defendants.*	71 C 3151 Before the Honorable George N. Leighton United States District Judge

JUDGMENT ORDER

This cause has been heard in accordance with the mandate, judgment and opinion of the United States Court of Appeals for the Seventh Circuit filed in this court on April 1, 1976 directing the entry of an appropriate injunction, if after further proceedings, defendants do not sustain their antitrust affirmative defenses. Defendants' petition for writ of certiorari to the United States Court of Appeals for the Seventh Circuit from the Supreme Court of the United States was denied on October 4, 1976. This court, after hearing evidence, both oral and documentary, in support of defendants' affirmative defenses, has made Findings of Fact, reached Conclusions of Law; and on January 5, 1977, entered an order striking paragraphs 7 and 8 of defendants' Affirmative Defenses set out in their Amended Answer. The parties have now urged on the court their respective views concerning the terms of the judgment of injunction, defendants having objected to the form of judgment and having requested and been granted hearings thereon with written submissions, and further evidence, both oral and documentary, having been introduced, and after oral argument and due deliberation, it is Ordered, Adjudged and Decreed that

1. Defendant MARK GILBERT, individually, and the corporate defendant, EVERY-READY INCORPORATED, by change of name, EVER-READY INTERNATIONAL LTD., its officers, directors, agents, servants, employees, attorneys, confederates and all persons acting for, with, by, through or under them, and each of them, be and they hereby are perpetually enjoined and restrained:

(a) From using the term EVER-READY, or any term or terms, word or words, symbol or symbols, confusingly similar thereto, or confusingly similar to plaintiff's trademark EVEREADY, alone or in combination with any other term or terms, word or words, in any manner, on or in connection with the advertising, offering for sale or sale of electric flashlights and accessories, lanterns, batteries, lamps, miniature lamp bulbs, lamp bulbs or any other electrical products not sold by or under the authority of Union Carbide Corporation except as hereinafter set forth;

(b) from using the term EVER-READY, or any term or terms, word or words, symbol or symbols, confusingly similar thereto or confusingly similar to the term EVEREADY, as part of any corporate, partnership, firm or trade name, on or in connection with the advertising, offering for sale or sale of electrical products or services other than in connection with the fluorescent light maintenance service heretofore conducted by defendant MARK GILBERT under the name Ever-Ready Fluorescent Service, said business being limited to the installation, maintenance and servicing of fluorescent lamps and fixtures.

2. On or before April 15, 1977, defendants, and each of them, shall deliver up to the Chief Deputy Clerk of this court, Mr. Charles W. Vagner, Room 2046, Dirksen Federal Building, any and all stationery, circulars, catalogs, price lists, brochures, advertising, logotypes, plates, mats, and labels relating to the advertising, promotion or sale thereof, in their possession or under

their control or under the control of any one of them bearing the term EVER-READY, EVER-READY INC., EVER-READY INTERNATIONAL LTD., or any other term or terms, word or words, symbol or symbols, confusingly similar thereto or confusingly similar to plaintiff's trademark EVEREADY; and that the items so surrendered be retained in the custody of the Chief Deputy Clerk until final determination of all proceedings herein, including any appeals. These items, at convenient hours, may be examined by plaintiff in the clerk's office.

3. Plaintiff has been awarded appeal costs as shown in the Mandate of the Court of Appeals, and execution may issue for the same. However, as to costs in the trial court, it appears that this litigation has been prosecuted in good faith by both parties; therefore, trial costs will not be awarded to either party.

So ordered

/s/ GEORGE N. LEIGHTON,
George N. Leighton,
United States District Judge.

Dated: March 3, 1977

APPENDIX.

UNITED STATES COURT OF APPEALS,
SEVENTH CIRCUIT.

No. 75-1371.

UNION CARBIDE CORPORATION,
Plaintiff-Appellant,

vs.

EVER-READY INCORPORATED, a corporation, and Mark Gilbert, an individual,
Defendants-Appellees.

Argued Oct. 22, 1975.

Decided Jan. 30, 1976.

As Amended on Denial of Rehearing March 11, 1976.
As Amended March 16, 1976.

PELL, *Circuit Judge.*

Union Carbide Corporation brought this action against Ever-Ready Incorporated[1] alleging trademark infringement and unfair competition.[2] In issue on this appeal are 1) whether the district court erred in declaring Carbide's trademark, EVEREADY, invalid; 2) whether the district court erred in finding

1. Ever-Ready Incorporated changed its name to Ever-Ready International Ltd. while this action was pending in the district court.

2. The district court found jurisdiction pursuant to 16 U. S. C. § 1121 and 28 U. S. C. §§ 1332 and 1338.

that defendants' use of Ever-Ready on electrical products was not likely to cause confusion; and 3) whether the district court erred in holding that defendants' use of Ever-Ready does not constitute unfair competition or dilution under Illinois statutes. In the district court Ever-Ready raised the affirmative defenses of laches and misuse of trademark in violation of the antitrust laws. Prior to trial the antitrust issues were served for separate trial pursuant to Fed. R. Civ. P. 42(b) and are not involved in this appeal.

In 1898 plaintiff's predecessor, American Electrical Novelty & Manufacturing Company, adopted the term EVER READY to distinguish its products. In 1901 the mark was changed to EVEREADY. In 1909 the company changed its name to American Ever Ready Company, and in 1914 it assigned all its assets to the National Carbon Company, Carbide's predecessor.

Currently plaintiff sells under its trademark, EVEREADY, alone or in combination with other words and designs, an extensive line of electric batteries, flashlights, and miniature bulbs for automobile and marine use. Carbide presently is the owner of five United States trademark registrations on its trademark, EVEREADY, alone, and with other words and distinctive designs. Affidavits have been filed pursuant to 15 U. S. C. §§ 1058 (for continued validity) and 1065 (for incontestability). Carbide has advertised these products extensively and since 1966 has had sales of its EVEREADY products in excess of one hundred million dollars per year. From October 1965 through July 1967 Carbide sold certain bulbs under its EVEREADY mark in blister packages which indicated that theye were for high-intensity reading lamps. Carbide has continued to sell identical bulbs packaged for automotive and other uses.

In 1944 defendant Mark Gilbert began business as Ever-Ready Fluorescent Company and still continues to conduct a fluorescent light maintenance service. In 1946 a new company was formed to import and distribute electrical supplies, stationery, gift items,

and accessories, including lamps, light bulbs, light fixtures, and flashlights. After several changes of form and name, this company became the defendant, Ever-Ready Incorporated. The products listed above are primarily distributed under names other than Ever-Ready, although Ever-Ready's promotional material, which is distributed within the trade, contains its corporate logo.

In 1969 defendants commenced importing miniature lamp bulbs having the term Ever-Ready stamped on their bases and selling these bulbs in blister packages containing the term Ever-Ready in a four-sided logo and indicating that they are for high-intensity lamps. Ever-Ready also imports the high-intensity lamps with Ever-Ready stamped on them or on labels attached to them. The literature accompanying the lamps also contains the logo. The name of the manufacturer is also indicated on the lamps.

Carbide sought an injunction against Ever-Ready's use of the term Ever-Ready on or in connection with the advertising or sale of electrical products. Carbide also requested that Ever-Ready be required to deliver up to it all material containing the allegedly infringing marks. No damages were sought. The district court found no infringement, no dilution under Illinois law, no unfair competition, and declared Carbide's mark, EVER-EADY, invalid.[3] This appeal followed.

I. Validity of Plaintiff's Trademark

A. *Validity is in Issue*

Plaintiff argues that the validity of its mark was not in issue before the trial court and that it was improper for the trial court to address the issue in its opinion. Plaintiff relies on a stipulation entered before trial which stated that plaintiff's registrations were in full force; on the statement of issues, which were part of the

3. The district court opinion appears at 392 F. Supp. 280.

pretrial order; and on defendants' proposed findings of facts and conclusions of law, which contained no finding of invalidity.

The stipulation is of little help to plaintiff. That a registration is in force is not necessarily inconsistent with the invalidity of a trademark, for example, where the trademark has become a generic term. At most the stipulation is ambiguous. We are, however, troubled by the failure to include the question of validity in the statement of issues in the pretrial order. Invalidity is, of course, a defense to an infringement action. If the defendants wished to rely on it, it should have been a part of the statement of issues. On the other hand, remarks during trial, at least by defendants' counsel, indicate that validity was in issue. The trial judge concluded that it was in issue.

Having carefully considered these factors, we conclude that we must face the issue of invalidity. Plaintiff may or may not have been prejudiced before the district court if counsel did not adequately brief or argue the validity of the trademark because he did not view it as in issue; nevertheless, counsel has not shown this court that it was prejudiced because evidence was not introduced which would have been had counsel believed validity was in issue. The legal issues have been fully briefed before this court.

B. *Effect of Incontestability*

A mark may become "incontestable" if the requirements of 15 U. S. C. § 1065 are met.[4] Defendant does not dispute that Carbide has complied with the requirements of § 1065 on incontestability but disputes the effect and scope of that achievement. Section 1115 prescribes the effects of registration and incontestability in an infringement action. It provides in relevant part:

> "(a) Any registration . . . of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall

4. "§ 1065. Incontestability of right to use mark under certain conditions. (*Infra*, at .....).

> be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.
>
> "(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established. . . ."

Seven defenses then follow, but none are relevant in this appeal.[5]

It is not disputed that the prima facie presumption of § 1115(a) may be used in an infringement action. Contrary to defendants' assertions, nothing in the statute indicates that the conclusive evidence rule of § 1115(b) cannot be used similarly. Three of the defenses enumerated in the section clearly contemplate the use of incontestability in infringement actions by plaintiffs. Subsections 1115(b)(4), 1115(b)(5), and 1115(b)(6) describe situations where a plaintiff's mark shall not be conclusive evidence in infringement actions. This implies that in other situations, assuming none of the other enumerated defenses are applicable, incontestability may be used by a plaintiff in establishing his case. Nevertheless, courts have not given the section uniform treatment. Opinions range from strict to liberal.

Defendants argue that incontestability is a narrow defensive device which cannot be used offensively by a plaintiff in an infringement action. Certainly no such limitation is expressed in the statute, but there is a line of cases which provides support for defendants' position. *John Morrell & Co.* v. *Reliable Packing Co.*, 295 F. 2d 314 (7th Cir. 1961), is procedurally

5. The defenses are: (*Infra*, at .....).

similar to the present case. In *Morrell*, plaintiff, owner of an incontestable registration, sued for statutory trademark infringement, unfair competition, and dilution under an Illinois statute. The essence of the court's holding was that plaintiff had failed to sustain its burden to show a likelihood of confusion between its mark, "E-Z Cut," and defendant's "Easy-Carve." In reaching this conclusion the court relied on the parties' practices of using these marks in connection with their names (Morrell E-Z Cut and Thompson Farms Brand Easy Carve). Plaintiff had apparently argued that the court could not consider this because its mark was incontestable. The district court did not limit its discussion to holding that confusion was not likely, but cited language in *Rand McNally & Co.* v. *Christmas Club*, 105 U. S. P. Q. 499 (Comm. of Pat. 1955), *aff'd*, 242 F. 2d 776, 44 CCPA 861 (1957), which indicated that incontestability has a defensive, not an offensive, effect and that when a mark becomes incontestable, the owner's rights in the mark are not broadened. We note that in *Morrell* the court did not declare the plaintiff's mark invalid.

The language cited was clearly dicta in *Rand McNally*. In issue in the case was whether the mark, "Christmas Club" was descriptive when used as the title of defendant's magazine. Plaintiff indicated that he brought the petition to cancel the registration so that it could not become incontestable and prevent him from using the same words in connection with a savings plan as he had been doing. The assistant commissioner who wrote the patent office opinion indicated, in the language cited by the *Morrell* panel, that the plaintiff's fears were unfounded. By the defensive/offensive language he apparently was attempting to state in another way that incontestability would not enable the defendant to extend his mark more broadly than he could prior to incontestability. The assistant commissioner went on to hold that the mark as used was valid. The Court of Customs and Patent Appeals affirmed without reference to the dicta regarding incontestability.

The defensive/offensive language cited in *Morrell* has caused much confusion regarding the effect of incontestability. In *Tillamook County Creamery Association* v. *Tillamook Cheese and Dairy Association*, 345 F. 2d 158 (9th Cir. 1965), *cert. denied*, 382 U. S. 903, 86 S. Ct. 239, 15 L. Ed. 2d 157, an infringement action, the court introduced a discussion of incontestability with the statement: "Without basing any special argument thereon or seeming to attach significance to it, the appellant suggests that . . . it had obtained incontestability of that registration." (Footnote omitted.) *Id.* at 163. It then held that the appellant properly refrained from arguing incontestability because of the defensive/offensive distinction. Citing *Morrell* it further stated:

> "If plaintiff has attained incontestability of its mark, its registration could not be cancelled by a proceeding to cancel the same. But this does not aid the plaintiff in any claim that it has an exclusive right to the name or mark or that it may rely on the same as a basis for an injunction against the defendant." *Id.*

Regardless of the reason plaintiff did not argue incontestability, it appears on the facts found by the court that plaintiff's mark was not incontestable with respect to the defendant. The court found that the defendant's predecessor had acquired the right to use the mark in question prior to plaintiff's use and that it had not been abandoned. Section 1065 provides that a mark does not become incontestable "to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this chapter of such registered mark." 15 U. S. C. § 1065.[6] Thus, plaintiff had no right to rely on incon-

6. This exception involving prior use must be contrasted with §§ 1115(b)(5) and 1115(b)(6). The first involves a situation where the registrant begins to use a mark (without registering it), the alleged infringer begins use of his mark without knowledge of the registrant's prior use, and then the registrant registers and publishes

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testability. Also, the court noted that the geographic location defense might be available to the defendant.

A second problem arises from the court's statement in *Tillamook* regarding incontestability preventing cancellation of plaintiff's registration. This problem is presented in clearer focus in the recent Eighth Circuit decision of *Wrist-Rocket Manufacturing Co., Inc.* v. *Saunders Archery Co.*, 516 F. 2d 846 (8th Cir. 1975), *cert. denied*, ... U. S. ....., 96 S. Ct. 134, 46 L. Ed. 2d 100. The lower court in *Wrist-Rocket* held that plaintiff's action for trademark infringement, which was based on an incontestable mark, had not been sustained by the evidence; that the defendant was the common law owner of the mark because he had first used it prior to plaintiff's registration; and that plaintiff's registration should be cancelled and he be permanently enjoined from using the mark.

The Eighth Circuit first held incontestability was "not a sword" on which plaintiff could rely to establish his exclusive right to use the mark citing, *inter alia*, *Tillamook*. It upheld the district court in its finding that defendant had a common law right to use the trademark, but held that the right was not exclusive.

The court then considered the district court's order cancelling plaintiff's mark and injunction against its future use. It held these actions were improper. The district court had held that plaintiff's mark was unprotected because a mark cannot become incontestable against a user's prior rights established under state law. This exception to § 1065 was quoted, *supra*, in discussing *Tillamook*. The Eighth Circuit held the district court's application of this section was improper because "[i]ncontestability is . . . a shield that protects the registrant from cancellation of his trademark by a prior user claiming superior rights." 516 F. 2d at 851. At first glance this statement appears in conflict with the exception in § 1065. The language is perhaps

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his mark. The second involves a situation where the alleged infringing mark was registered and used prior to the charging party's registration.

unfortunate. As authority for this statement the court relied, *inter alia*, on *Tillamook*, *Morrell*, and 4 Callman, *Unfair Competition, Trademarks and Monopolies*, § 97.3(c)(1)(3d ed. 1970) at 599. Callman discusses incontestability of registration and incontestability of use. Section 1065 is entitled "Incontestability of right to use mark under certain conditions." Compliance with § 1065 entitles a registration to conclusive evidentiary weight under § 1115(b). Portions of § 1064 indicate that after five years a registration may only be cancelled for specified reasons. Callman refers to these portions of §1064 as the "incontestability of registration" provisions. The statute does not use this terminology. Section 1064, not incontestability under § 1065, "protects the registrant from cancellation of his trademark by a prior user claiming superior rights" because prior use is not a ground for cancellation under § 1064. Section 1064's protection is broader than the incontestability rights under § 1065. Also, five years of use after registration entitles a registrant to protection under § 1064 whereas an affidavit must be filed to achieve incontestability under § 1065. References to the protection accorded registrations under § 1064 by the term "incontestability" causes confusion and should be avoided even though the sections were enacted at the same time and complement each other.

Other cases which have drawn the defensive/offensive distinction are: *Schwinn Bicycle Company* v. *Murray Ohio Manufacturing Co.*, 339 F. Supp. 973 (M. D. Tenn. 1971) (relying on *Tillamook* and *Morrell*), *aff'd per curiam on other grounds*, 470 F. 2d 975 (6th Cir. 1972); *Haviland & Co.* v. *Johann Haviland China Corporation*, 269 F. Supp. 928 (S. D. N. Y. 1967) (relying on *Tillamook and Morrell*); *Electrical Information Publications* v. *C-M Periodicals, Inc.*, 163 U. S. P. Q. 624 (N. D. Ill. 1969).

Defendants also rely on several cases which they assert stand for the general propostion that descriptiveness of a plaintiff's mark may be raised as a defense in any infringement action.

There is no indication in *G. Lablanc Corporation* v. *H. & A. Selmer Inc.*, 310 F. 2d 449 (7th Cir. 1962). *cert. denied*, 373 U. S. 910, 83 S. Ct. 1299, 10 L. Ed 2d 412 (1963), that the mark involved was incontestable, notwithstanding defendants' indication to the contrary, or that this court considered that issue. In *Jean Patou, Inc.* v. *Jacqueline Cochran, Inc.*, 201 F. 2d 125 (2d Cir. 1963), the district court mentioned incontestability, discussed the descriptive nature of plaintiff's mark, then assumed the mark's validity and held there was no infringement because defendant was using the word "Joy," plaintiff's mark, in a descriptive sense. Though the court did not cite § 1115(b)(4), we note that under it defendant's use of the alleged infringing term in a descriptive sense is a defense to incontestability. The Second Circuit specifically declined to review the propriety of other findings of the district court; noted that since plaintiff's mark was incontestable, the primary issue between the parties was whether the defendant's use was likely to deceive or cause confusion or mistake; and held that the district court was not clearly erroneous in finding there was no likelihood of confusion. Thus, *Patou* is of little help to defendants; indeed, if it is relevant at all, the Second Circuit opinion lends support to plaintiff's position. Finally, we must consider *Flavor Corporation of America* v. *Kemin Industries, Inc.*, 493 F. 2d 275 (8th Cir. 1974).

In *Flavor Corporation* the Eighth Circuit interpreted the incontestability provisions in relation to descriptiveness in an apparently unique manner. The court first declined to resolve the controversy over the precise effect of incontestable status. It held that a mark registered under § 1052(f)[7] could not become in-

7. Carbide's mark was not originally registered under § 1052(f), but secondary meaning has become an issue in this law suit. Section 1052(f) reads as follows:

> "(f) Except as expressly excluded in paragraphs (a)-(d) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner

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contestable because of § 1065(4). Section 1065(4) provides: "[N]o incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance patented or otherwise." Section 1052(f) permits the registration of marks which might be characterized as "merely descriptive" if the mark has become "distinctive of the applicant's goods in commerce." 15 U. S. C. §§ 1052(e), 1052(f). If a mark is the common descriptive name of an item, it does not qualify for registration under § 1052(f). If a mark becomes the common descriptive name of an item, it may be cancelled at any time and incontestability would be of no effect even if subsection (4) had not been enacted. 15 U. S. C. §§ 1064(c), 1065. Subsection (4) was added to the act by the conference committee without explanation, and it is doubtful whether the provision does more than clarify what is already in the act. D. Robert, *The New Trade-Mark Manual* 138 (1947). In effect the Eighth Circuit has equated a mark that is descriptive, but distinctive of registrant's goods, with one that is the common descriptive name of an item. We do not believe this was the intention of Congress and decline to follow *Flavor Corporation* on this point. We note that this aspect of the case has received substantial criticism from commentators. W. Derenberg, *The Twenty-Seventh Year of Administration of the Lanham Trademark Act of 1946*, 64 Trade-Mark Rep. 339, 419 (1974); A. Fletcher, *The Pestlur Case—Collateral Estoppel Effect of CCPA and TTAB Decisions—Actual Confusion as to Incontestability of Descriptive Marks*, 64 *Trade-Mark Rep.* 252, 257 (1974).

Trademark statutes prior to the Lanham Act treated the substantive law of trademarks as primarily a state law matter. In enacting the Lanham Act Congress intended to unify trade-

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> may accept as prima facie evidence that the mark has become distinctive, as applied to the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years next preceding the date of the filing of the application for its registration."

mark law on a national basis. The Senate Committee Report on the Act stated:

> "There can be no doubt under the recent decisions of the Supreme Court of the constitutionality of a national act giving substantive as distinguished from merely procedural rights in trade-marks in commerce over which Congress has plenary power . . . a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given." Sen. Rep. No. 1333, 79th Cong., 2d Sess. (1946), U. S. Code Cong. Serv 1946, p. 1277, reprinted in Robert, *supra* at 265, 269 (1947).

Callman indicates that the incontestability clauses are one of the most significant innovations in the Lanham Act and that they had a "vital effect upon the substantive law of trademarks." 4 Callman, *supra*, § 93.3(c)(1) at 598-99 (3d ed. 1970). In evaluating the incontestability clauses analytically, Callman states:

> "It would seem self-evident that there is no distinction between an incontestable, exclusive right and a property right, so that, in effect the Lanham Act implicitly demonstrates Congressional willingness to recognize the trademark as a property right. The exceptions to which this clause is subjected do not detract from this highly salutary result. They are nothing more than the usual limitations imposed upon every property right—the existence of its material foundation and the legality of its use." (Footnotes omitted.) *Id.* at 601.

Although Callman indicates that incontestability may lead to misuse "unless the incontestability privilege is counterbalanced or neutralized by judicial efforts to restrict the scope of protection accorded to marks that consist primarily of descriptive or otherwise defective matter," *id.*, and although he states the defensive/offensive rule, citing the *Morrell* line of cases, *id.* at 599, he also states: "When the right to use has become incontestable, the right to sue others for infringement is then fortified by a certificate of registration which is, under section 33(b) [15 U. S. C. § 1115(b)], conclusive evidence of the registrant's

exclusive right to use the mark." (Footnotes omitted.) *Id.* § 97.3(c)(3) at 605.

The most recent expression of this court on the effect of incontestability appears in *Burger King of Florida, Inc.* v. *Hoots*, 403 F. 2d 904 (7th Cir. 1968). The case involved cross suits for infringement for use of the name Burger King. Plaintiff's mark was incontestable. This court held that the incontestability of plaintiff's mark established conclusively plaintiff's exclusive right to use the mark. The defendant was allowed to continue to use the mark in a narrow geographic area because of its prior use in that area, a defense to incontestability under the statute. The panel was clearly aware of *Morrell* because it cited it on another point, and we note that, notwithstanding the defensive/offensive language in *Morrell*, not every court has viewed the case as holding that a plaintiff may not rely on incontestability in an infringement action.

In *Jockey International, Inc.* v. *Burkard*, 185 U. S. P. Q. 201 (S. D. Calif. 1975), the court held that the defendants in the suit for infringement could not raise any defense or defect not enumerated in § 1115(b) because plaintiff's mark had become incontestable. The court cited, *inter alia, Morrell* in support of this proposition. The Fifth Circuit clearly allows the use of incontestability in infringement actions. In *John R. Thompson Co.* v. *Holloway*, 366 F. 2d 108 (5th Cir. 1966), the court stated that although plaintiff's marks should have been refused registration if primarily a surname, this could not be raised as a defense because it was not one of the defenses enumerated under § 1115(b). Although *Rand McNally & Co.* v. *Christmas Club, supra,* is the apparent source of the defensive/offensive distinction, today the patent office appeals board apparently does not follow it. In *Seiler's Inc.* v. *Hickory Valley Farm Inc.*, 139 U. S. P. Q. 460 (T. T. A. B. 1963), it sustained an opposition brought by the holder of an incontestable mark on the grounds that its incontestable registration was conclusive of its exclusive right to use the mark.

In light of this authority, we hold that a plaintiff in an infringement action establishes conclusively, under § 1115(b), his exclusive right to use a trademark to the extent he shows his trademark has become incontestable under § 1065. Incontestability does not broaden a trademark in the sense that it allows a registrant to claim rights over a greater range of products than he would otherwise be entitled to claim; but once incontestability is established, registrant's mark is immune from challenge on any grounds not enumerated in § 1115(b). There is no defensive/offensive distinction in the statute, and we do not believe one should be judicially engrafted on to it. To the extent that *Morrell* holds that a plaintiff may not use the conclusive evidence rule of § 1115(b) in an infringement action and to the extent such a holding has not been overruled *sub silentio* by *Burger King*, we overrule it now. As stated earlier, it is not altogether clear that this is the holding of *Morrell*, but it has been so interpreted by other courts, including district courts within this circuit. J. McCarthy, *Trademarks and Unfair Competition*, § 11:17 (1973), summarizes the effect of incontestability in cases such as the present one:

> "But if a mark has become 'incontestable' . . . then lack of distinctiveness of such a mark cannot be raised in litigation. That is, it is conclusively presumed either that the mark is non-descriptive, or if so, has acquired secondary meaning. Defendant faced with an incontestable registered mark cannot defend by claiming that the mark is invalid because it is descriptive."

The district court in this case failed to consider incontestability. Plainly it was improper for the court to declare plaintiff's mark invalid even though it did not order the registration cancelled. This would be true even if the defensive/offensive distinction were viable. Plaintiff has established incontestability under § 1065, and defendants in the present appeal have not shown that any of the first six defenses enumerated in § 1115(b) are available to them. These findings establish the validity of plaintiff's mark and would be sufficient for us to proceed im-

mediately to consider the district court's conclusions regarding likelihood of confusion. However, even if we were to assume arguendo that the incontestability status of the plaintiff's mark did not preclude attack by the defendant on validity in the present litigation, we would reach the same result with regard to the mark involved. Because of what we view as serious misconceptions of the law of this circuit in the district court opinion, we deem it advisable to address the merits issue as an alternative ground supporting the validity of the EVEREADY marks.[8]

C. *Merits of Carbide's Trademark*

1. Descriptiveness

In discussing the validity of the EVEREADY mark, the district court noted that the registration of a mark is " 'prima facie evidence' of (1) the validity of the registration, (2) the registrant's ownership of the mark and (3) the registrant's exclusive right to use the mark in commerce under the specified conditions and limitations of the registration." 392 F. Supp. at 285. Section 1115(a), regarding remedies such as actions for infringement, provides that a registration is admissible into evidence to establish registrant's rights on a prima facie basis but that an opposing party may prove any legal or equitable defense or defect which might have been asserted if the mark had not been registered. This is in contrast to a mark which has attained incontestable status, discussed *supra*.

A mark which is "merely descriptive" may not be registered, and a holding that Carbide's mark was merely descriptive would defeat its action for infringement. 15 U. S. C. § 1052. Nevertheless, since the patent office allowed the EVEREADY mark to be registered and proof of distinctiveness under § 1052(f)

8. Because of this panel's treatment of prior cases in part I. B., this opinion has been circulated to all judges of this court in regular active service; and no judge has voted to rehear this case *en banc*.

Judge Philip W. Tone has disqualified himself from any consideration of this case.

was not required, it must have concluded that the mark was not "merely descriptive." This essential premise must be considered prima facie correct by a court in considering the validity of a trademark, or the prima facie evidence rule would be rendered ineffective. It is unclear whether the district court accorded any weight to the patent office's conclusion that the EVEREADY mark was not descriptive.

Defendants rely on a statement in *John Morrell & Co.* v. *Reliable Packing Co., supra:* "[W]here descriptive words are used in the trademark, the assumption of validity can be easily overcome." 295 F. 2d at 316. This statement was made in describing the holding in *Wilhartz* v. *Turco Products, Inc.*, 164 F. 2d 731 (7th Cir. 1947). In *Wilhartz* this court held that under the circumstances of that particular case, the presumption of validity was easily overcome. The circumstances were that the mark, "Auto Shampoo," had been refused registration twice and then registration was finally allowed after the representations that "Auto" suggested instantaneous action while "Shampoo" as used suggested foaming, bubbling action as a result of the application by a spray mechanism. The court found these representations were a hoax in light of testimony by the vice-president of the company that he had never heard of such claims until the trial and that the product could be used just as effectively without the spray mechanism. The statement in *Morrell* is not inaccurate, but it is perhaps unfortunate because it has caused some to overlook the necessity of according prima facie weight to the patent office's conclusion that particular words as applied to a particular product are not descriptive.

The district court concluded that "Carbide's mark EVEREADY is descriptive and within the purview of § 2(e) of the Lanham Act. 15 U. S. C. § 1052(e)." 392 F. Supp. at 288. In light of the statutory reference we shall treat this finding as being that the mark is *merely* descriptive. *But see Ex Parte Heatube Corporation*, 109 U. S. P. Q. 423, 424 (Comm. of Pat. 1956).

A mark is invalid if it is merely descriptive of the ingredients, qualities, or characteristics of an article of trade. *Warner & Co.* v. *Lilly & Co.*, 265 U. S. 526, 528, 44 S. Ct. 615, 68 L. Ed. 1161 (1924). Suggestive marks, however, have long been distinguished from descriptive ones. *Watkins Products, Inc.* v. *Sunway Fruit Products, Inc.*, 311 F. 2d 496 (7th Cir. 1962), *cert. denied*, 373 U. S. 904, 82 S. Ct. 1291, 10 L. Ed. 2d 199 (1963); *Independent Nail & Packing Co., Inc.* v. *Stronghold Screw Products, Inc.*, 205 F. 2d 921 (7th Cir. 1953), *cert. denied*, 346 U. S. 886, 74 S. Ct. 138, 98 L. Ed. 391. Restatement of the Law of Torts § 721 Comment (a) (1938). They may be thought of as a middle ground between arbitrary or fanciful names and descriptive names. *E.g. General Shoe Corporation* v. *Rosen*, 111 F. 2d 95, 98 (4th Cir. 1940). The line between descriptive and suggestive marks is scarcely "pikestaff plain." Various tests have been used by courts to make the distinction. The district court, citing *General Shoe Corporation* v. *Rosen, supra; W. G. Reardon Laboratories, Inc.* v. *B & B Exterminators*, 71 F. 2d 515 (4th Cir. 1934); and *Stewart Paint Manufacturing Co.* v. *United Hardware Distributing Co.*, 253 F. 2d 568 (8th Cir. 1958), stated:

> "Suggestive terms 'suggest', but do not describe the qualities of a particular product. The distinction threatens to be one without a difference. Essentially, however, the common and ordinary meaning of the term to the public and the incongruous use of it as it relates to the product determine whether a term is suggestive." 392 F. Supp. at 286.

Another test which has been used and which was footnoted by the district court is whether competitors would be likely to need the terms used in the trademark in describing their products. See McCarthy, *supra*, § 11:21 at 391-92 (1973); Restatement of the Law of Torts § 721 Comment (a) (1938).

This court has not adopted a particular test for distinguishing between suggestive and descriptive marks. We disagree with the district court that it is a distinction without a difference, al-

though it is often a difficult distinction to draw and is, undoubtedly, often made on an intuitive basis rather than as the result of a logical analysis susceptible of articulation. This only emphasizes the need to give due respect to the determinations of the patent office if the distinction is to be drawn in a consistent manner. Perhaps the best statement of the distinction appears in A. Seidel, S. Dalroff, and E. Gonda, *Trademark Law and Practice* § 4.06 at 77 (1963):

> "Generally speaking, if the mark imparts information directly, it is descriptive. If it stands for an idea which requires some operation of the imagination to connect it with the goods, it is suggestive."

The information imparted may concern a characteristic, quality, or ingredient of the product. We do not believe this conflicts with this court's holding in *Independent Nail & Packing Co., Inc.* v. *Stronghold Screw Products, Inc., supra*, even though some language in the opinion arguably indicates the contrary. Incongruity is not essential for a mark to be suggestive, rather than descriptive; but incongruity is a strong indication of nondescriptiveness, and it is probably the unusual case where a mark will be suggestive but not descriptive where there is no incongruity. The more imagination that is required to associate a mark with a product the less likely the words used will be needed by competitors to describe their products.

In analyzing Carbide's mark, the district court noted the dictionary definitions of "ever" and "ready" and concluded: "Thus, the combination of 'ever' and 'ready' means constantly prepared or available for service." Dissecting marks often leads to error. Words which could not individually become a trademark may become one when taken together. *E.g., Application of Standard Elektrik*, 371 F. 2d 870, 54 CCPA 1043 (1967); *Food Fair Stores, Inc.* v. *Food Fair, Inc.*, 177 F. 2d 177 (1st Cir. 1949).

Were we considering de novo whether EVEREADY was descriptive, we might reach a different conclusion than the district court, but it is our opinion that the issue is close. In

Independent Nail & Packing Co., Inc. v. *Stronghold Screw Products, Inc., supra,* this court indicated it considered "Holeproof" as applied to stockings suggestive. The statement was made with reference to *Holeproof Hosiery Co.* v. *Wallach Bros.*, 172 F. 859 (2d Cir. 1909), although the court in that case did not pause to consider whether the mark was descriptive or suggestive but held that the mark had an established secondary meaning. The court in *Holeproof Hosiery* also discussed whether the mark was false and misleading. It held that no one would be misled because no one would be fatuous enough to believe the socks would never wear out. The mark EVEREADY is closely analogous as applied to batteries. It suggests the quality of long life, but no one in our society would be deceived into thinking that this type of battery would never wear out or that its shelf life was infinite. There is less incongruity with regard to flashlight bodies. Nevertheless, we need not decide whether the mark's reference is too direct for the mark to be considered nondescriptive or whether the district court's holding to that effect should be overruled because of what we consider overwhelming evidence in the record of secondary meaning.

2. Secondary Meaning

Secondary meaning need only be shown if a mark sought to be registered or sustained is found to be or is conceded to be descriptive. *Watkins Products, Inc.* v. *Sunway Fruit Products, Inc., supra.*

For purposes of this section we will assume arguendo the correctness of the finding of the district court that Carbide's mark is descriptive.

The history and policy behind the secondary meaning doctrine was well stated in *G & C Merriam Co.* v. *Saalfield,* 198 F. 369 (6th Cir. 1912), *cert. denied,* 243 U. S. 651, 37 S. Ct. 478, 61 L. Ed. 947 (1917):

> "It contemplates that a word or phrase originally, and in that sense primarily, incapable of exclusive appropriation with reference to an article on the market, because geographically or otherwise descriptive, might nevertheless have been used so long and so exclusively by one producer with reference to his article that, in that trade and to that branch of the purchasing public, the word or phrase had come to mean that the article was his product; in other words, had come to be, to them, his trade-mark. So it was said that the word had come to have a secondary meaning, although this phrase, 'secondary meaning,' seems not happily chosen, because, in the limited field, this new meaning is primary rather than secondary; that is is to say, it is, in that field, the natural meaning." *Id.* at 373.

To establish secondary meaning it is not necessary for the public to be aware of the name of the manufacturer from which a product emanates. It is sufficient if the public is aware that the product comes from a single, though anonymous, source. *Spangler Candy Co.* v. *Crystal Pure Candy Co.*, 353 F. 2d 641, 647 (7th Cir. 1965). It is easier to establish secondary meaning where the term used, while descriptive, is not generic. *W. E. Bassett Company* v. *Revlon, Inc.*, 435 F. 2d 656, 661 (2d Cir. 1970). *Cf. American Aloe Corporation* v. *Aloe Creme Laboratories, Inc.*, 420 F. 2d 1248 (7th Cir. 1970), *cert. denied,* 398 U. S. 929, 90 S. Ct. 1820, 26 L. Ed. 2d 91; *Aloe Creme Laboratories, Inc.* v. *Milsan, Inc.*, 423 F. 2d 845 (5th Cir. 1970), *cert. denied,* 398 U. S. 928, 90 S. Ct. 1818, 26 L. Ed. 2d 90.

We agree with the district court's summary of the factors relevant on the issue of secondary meaning: "The amount and manner of advertising, volume of sales, the length and manner of use, direct consumer testimony and consumer surveys." The district court also summarized the evidence in this case relating these factors to Carbide:

> "The evidence shows that Carbide and its predecessors have distributed and sold electrical products under the EVEREADY mark since 1909; that in 1915 10 million dry cell batteries marked EVEREADY alone were sold with an advertising cost of approximately $225,000; that

> Carbide's sales of electrical products under the EVER-EADY mark from 1963 to 1973 exceeded $100,000,000 each year; that during the 1963-1973 period Carbide advertised in magazines and trade journals, on radio and television and through point of sale displays and that the cost of the 1963-67 advertising was $50,000,000." 392 F. Supp. at 288.

Advertising expenditures, of course, are a measure of the input by which a company attempts to establish a secondary meaning. In issue is the success of this effort. The chief inquiry is directed toward purchasers' attitudes toward a mark. *Carter-Wallace Inc.* v. *Procter & Gamble Co.*, 434 F. 2d 794, 802 (9th Cir. 1970). The public's attitude is more directly indicated by remarks of counsel for Ever-Ready. In his opening statement he said, "All right. We don't sell batteries, and that's what everybody thinks of when you mention the name EVEREADY." Later during the trial he made a similar remark.

Two surveys were taken in anticipation of this litigation. The district court discounted them on the issue of secondary meaning stating:

> "Carbide introduced two surveys in evidence on the issue of likelihood of confusion. The surveys, however, do not help on the secondary meaning issue. There is no apparent evaluation of the products which would form a basis for the acquisition of secondary meaning. Indeed, there is no showing that the interviewee had past experience with Carbide's products so as to establish brand awareness." (Footnote omitted.) 392 F. Supp. at 289.

We know of no doctrine which limits use of such evidence to the issue on which it was originally introduced. It was perhaps only initially introduced on the issue of likelihood of confusion due to uncertainty as to whether the validity of Carbide's mark was in issue, see part I. A., and confusion over whether incontestability prevented Ever-Ready from raising descriptiveness as a defense. We have held that this defense should not have been considered in part I. B. In each of the surveys an insignificant number of persons named Carbide as the maker of defendants' products, but in excess of 50% of those interviewed associated Carbide products, such as batteries and flashlights, with defendants' mark. The only conclusion that can be drawn from these results is that an extremely significant portion of the population associates Carbide's products with a single anonymous source. The survey questions were not designed to establish secondary meaning; but once the issue of descriptiveness was improperly considered, the survey results could not be ignored.[9]

Additionally, we find it difficult to believe that anyone living in our society, which has daily familiarity with hundreds of battery-operated products, can be other than thoroughly acquainted with the EVEREADY mark. While perhaps not many know that Carbide is the manufacturer of EVEREADY products, few would have any doubt that the term was being utilized other than to indicate the single, though anonymous, source. A court should not play the ostrich with regard to such general public knowledge.

We hold that the district court's determination that there was inadequate evidence to find that EVEREADY had acquired a secondary meaning is clearly erroneous.

D. Summary

Once Carbide's mark was established as incontestable, the district court should not have considered descriptiveness as a defense to plaintiff's suit. The only grounds upon which the validity of the mark could have been challenged were those enumerated in § 1115(b). Regardless of incontestability, plaintiff clearly established the validity of its mark on the basis of secondary meaning even if we were to accept the district court's conclusion that the mark is descriptive.

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9. For a detailed discussion of the weight to be given the surveys, see part II, *infra*.

II. Likelihood of Confusion

Section 1114, in relevant part, provides that any person who uses a mark in commerce which is likely to cause confusion with a registered mark shall be subject to the various remedies provided in the statute. A key issue in this case is whether it is likely that the public will be confused into believing that the products upon which the defendants' mark, Ever-Ready, appears emanate from the same source as products upon which plaintiff's mark, EVEREADY, appears.

In determining whether likelihood of confusion exists, courts consider such factors as the type of trademark in issue, the similarity of design, similarity of products, identity of retail outlets and purchasers, identity of advertising media utilized, defendant's intent, and actual confusion. *Roto-Rooter Corporation* v. *O'Neal*, 513 F. 2d 44, 45-46 (5th Cir. 1975). Survey evidence is often used because it is easier to obtain than evidence of actual confusion. Products need not be in direct competition for infringement to exist. *E.g., Continental Motors Corporation* v. *Continental Aviation Corporation*, 375 F. 2d 857, 861 (5th Cir. 1967). Of course, the more closely products are related the more likely sources may be confused. Nevertheless, the directness of competition is only one factor to be considered in determining likelihood of confusion. *Id.* A distinctive mark or name will be more broadly protected than words, such as "every ready," which have been registered and applied to a variety of products. *Philco Corporation* v. *F. & B. Manufacturing Co.*, 170 F. 2d 958, 961 (7th Cir. 1948), *cert. denied*, 336 U. S. 945, 69 S. Ct. 813, 93 L. Ed. 1102 (1949).

The district court found that the parties' marks were dissimilar. The conclusion was based "on the whole appearance" of the marks, and we would agree that when the marks are

placed side-by-side differences are readily apparent.[10] However, as the district court noted at an earlier point in its opinion, a side-by-side comparison of the marks is not the proper test. The test is the consumers' state of mind when faced with the marks individually. *G. D. Searle & Co.* v. *Chas. Pfizer & Co., Inc.*, 265 F. 2d 385, 388 (7th Cir. 1959), *cert. denied*, 361 U. S. 819, 80 S. Ct. 64, 4 L. Ed. 2d 65; *Independent Nail & Packing Co., Inc.* v. *Stronghold Screw Products, Inc., supra*, 205 F. 2d at 924. Courts have often held that small changes in words, such as adding or deleting a hyphen, are insufficient to distinguish marks. *E.g., Stix Products, Inc.* v. *United Merchants & Manufacturers, Inc.*, 295 F. Supp. 479 (S. D. N. Y. 1968). Indeed, the terms "EVEREADY" and EVER-READY" have been held to be "in legal contemplation identical." *Union Carbide Corporation* v. *Midwest Mower Corporation*, 132 U. S. P. Q. 689 (T. T. A. B. 1962). In *Independent Nail* the district court distinguished the parties' marks stating that the marks had no resemblance to each other beyond the use of the word "Stronghold." This court reversed stating: "The court apparently gave no weight to the fact that 'Stronghold' is the most prominent word in defendant's mark while 'Stronghold Nails' are the most prominent words appearing in plaintiff's mark." 205 F. 2d at 924. Consumers often do not retain a clear impression of the precise form in which a mark appears. This is not from carelessness but rather is due to the fallibility of the human memory. In *Spangler Candy* v. *Crystal Pure Candy Co., supra*, we indicated:

> "It is sufficient if one adopts a trade name or a trade mark so like another in form, spelling, or sound that one,

10. The district court noted these differences:

"The EVEREADY mark as used has all letters capitalized. 'Ever-Ready' as used only as the 'E' and 'R' capitalized. Ever-Ready's mark consisted of two words. The marks are spelled differently. The EVEREADY mark appears in ascending and descending block letters and appears generally on a blue or red background, which is pentagonal or hexagonal in shape. 'Ever-Ready' is written in descending script on a black trapezoidal background." 392 F. Supp. at 291 n. 19.

> with a not very definite or clear recollection as to the real trade-mark, is likely to become confused or misled." 353 F. 2d at 644.

See also Stix Products Inc. v. *United Merchants & Manufacturers Inc., supra.* We find no evidence of bad faith on the part of Ever-Ready, but the latecomer has a responsibility to avoid confusion.

Cases such as *Quaker Oats Co.* v. *General Mills, Inc.*, 134 F. 2d 429 (7th Cir. 1943), and *Southern Shell Fish Co., Inc.* v. *S. Felicione & Sons Fish Co., Inc.*, 108 U. S. P. Q. 289 (Comm. of Pat. 1956), do not conflict with the principles stated above. In *Quaker Oats*, this court held that the mark "Oaties" did not infringe General Mills marks, Wheaties, Kornies, and Maizies, in the light of substantially different package designs, a clear statement appearing on the box that the cereal was manufactured by Quaker Oats Co., and the name Quaker appearing at 20 places on the box. Quaker produced over 100 witnesses who testified they were not confused in contrast to a survey of 17 persons taken by General Mills which indicated they thought the cereal was made by the Wheaties Company. The court held that the test was whether Quaker had taken reasonable precautions to prevent confusion, and the court held that it had. We note that the words used in the marks in *Quaker Oats*, Wheaties and Oaties, were much less similar than EVEREADY and Ever-Ready. Also, there was a very close relationship between the mark Oaties and the product on which it appeared, a cereal made from oats.

In *Southern Shell Fish*, the assistant commissioner held in view of the fact that the Gulf area was important in connection with the packing of sea food and since the products in competition are normally sold on a self-service basis, and further in light of the visual differences of the packages, the similarity in sound of the marks, Gulf Taste and Gulf Kist was not sufficient to cause likelihood of confusion. It would appear that buyers would be

much more likely to associate the product with the geographical area of the Gulf than with a particular company. That situation does not exist in the present case. Also, we note that once again the words used in the marks are not as similar as those involved in the present case.

This court has held that likelihood of confusion is a question of fact subject to the clearly erroneous rule. *Watkins Products, Inc.* v. *Sunway Fruits Products, Inc., supra*, 311 F. 2d at 499. Nevertheless, to the extent the determination is predicated upon the similarity of the marks themselves, it is a mixed question of law and fact with this court being in as good a position as the trial judge to determine the probability of confusion. *Harold F. Ritchie* v. *Chesebrough-Pond's, Inc.*, 281 F. 2d 755 (2d Cir. 1960). *See J. B. Williams Company, Inc.* v. *LeConte Cosmetics, Inc.*, 523 F. 2d 187 (9th Cir. 1975). We hold that the trial court erred in holding that the marks of the plaintiff and defendant were dissimilar in the contemplation of the law. The court did not err in considering the mark as a whole but failed to give sufficient weight to the predominant feature of the marks, the words "ever ready."

The district court rejected all the evidence of actual confusion presented by Carbide as not being entitled to weight. Since the test under § 1114 is likelihood of confusion, courts have often held that it is unnecessary to show actual confusion. *E.g., Watkins Products, Inc.* v. *Sunway Fruit Products, Inc., supra; Independent Nail & Packing Co., Inc.* v. *Stronghold Screw Products, Inc., supra.* Nevertheless, courts often view evidence of actual confusion as the best evidence of likelihood of confusion, though isolated instances of actual confusion or misdirected mail have been held insufficient to sustain a finding of likelihood of confusion. *Compare, e.g., Spangler Candy Co.* v. *Crystal Pure Candy Co., supra*, 353 F. 2d at 644; *Roto-Rooter Corporation* v. *O'Neal, supra*, 513 F. 2d at 45-46 *with Sunbeam Lighting Co.*, v. *Sunbeam Corporation*, 183 F. 2d 969, 974 (9th Cir. 1950), *cert. denied*, 340 U. S. 920, 71 S. Ct. 357, 95 L. Ed.

665 (1951); *Everest & Jennings, Inc.* v. *E & J Manufacturing Co.*, 263 F. 2d 254, 260 (9th Cir. 1958), *cert. denied*, 360 U. S. 902, 79 S. Ct. 1284, 3 L. Ed. 2d 1254 (1959). The value of evidence of actual confusion is greater when the products involved are low value items because purchasers are unlikely to complain when dissatisfied, which would bring to light confusion; but rather they are likely simply to avoid all products produced by the company which they believe produced the product which caused them trouble.

Carbide presented three instances of actual confusion to the trial court. The first was a letter of complaint concerning a bulb which was initially sent to "Ever-Ready, Inc.; Chicago, Illinois 60607," the address which appears on Ever-Ready's miniature bulb blister packs. The letter was returned for insufficient address. She then mailed the letter to Carbide in New York. Concernings this evidence the district court stated:

> "This incident does not prove that Mrs. Kaplan was confused. Initially she knew from whom she purchased the defective product since she addressed the letter to Ever-Ready in Chicago. Indeed, she gave the exact address which appears on Ever-Ready's miniature bulb blister packs. At the least, this incident shows that Mrs. Kaplan did not identify Carbide as the source of the product." Footnote omitted.) 392 F. Supp. at 290.

We disagree, finding a more reasonable inference is that she first obtained the address from the blister pack and then when the letter was returned as having an insufficient address she found a more complete address from some other source for what she thought was the one company using the combination of the words "ever" and "ready" for bulbs, batteries, and similar products. She need not have known Carbide by name for confusion to have been demonstrated. Finally in the absence of knowledge by the consuming public of the defendant as a marketing entity, it is clear that her reference in her letter to "your fine reputation" did not refer to anyone other than Carbide.

The second instance occurred when Carbide's then Chicago counsel sent his secretary, Mr. Bailis, to purchase EVEREADY high-intensity miniature lamp bulbs. In this court it is disputed whether he knew Carbide did not sell bulbs so denominated; but the district court held that he did, and this finding is not clearly erroneous. Mrs. Bailis went to Marshall Field & Co., and the sales clerk showed her Ever-Ready bulbs and assured her that the bulbs were made by Carbide. Regarding this evidence the district court stated:

> "The sales clerk's confusion is not entitled to any weight. Obviously the desire to make a sale influenced her actions. At least, it is impossible to distinguish between her alleged confusion and her desire to make a sale. Moreover, evidence of this type, manufactured by a party after a complaint has been filed, is suspect." 392 F. Supp. at 291.

This court upheld the district court's finding of no likelihood of confusion in the face of a similar attempt to manufacture evidence in *Philco Corporation* v. *F. &B. Manufacturing Co., supra*, 170 F. 2d at 961, though the evidence in that case was less clear because the court believed that the sales clerk recognized the purchaser's mistake and substituted the product which the purchaser was apparently seeking whereas in this case the sales clerk made a specific representation that the goods were manufactured by Carbide. If the court meant to indicate that confusion by sales clerks is never probative, we disagree. Although we have great difficulty conceiving that a clerk's anxiety to make this small-dollar sale would prompt a deliberate and knowledgeable misrepresentation, if we assume that the clerk was not confused, the evidence is nevertheless relevant because it is unfair competition for a person to put a product into a dealer's hands which a producer can reasonable anticipate may be easily passed off as the goods of another. *Stewart Paint Manufacturing Co.* v. *United Hardware Distributing Co., supra*, 253 F. 2d at 575. *See Warner & Co.* v. *Lilly & Co., supra*. Assuming the clerk was confused, this gives rise to an inference that purchasers

would also be confused because salespersons are more likely than customers to be familiar with various marks on the merchandise they sell and hence are less likely to be confused. *Jockey International, Inc.* v. *Burkard, supra,* 185 U. S. P. Q. at 205; *Stix Products, Inc.* v. *United Merchants & Manufactuers Inc., supra,* 295 F. Supp. at 495 n. 56. *See Aloe Creme Laboratories, Inc.* v. *Milson, Inc., supra,* 423 F. 2d at 850.

The third incident involved testimony by a Mrs. Lonczak and her daughter from New Jersey who wrote a letter to Carbide protesting the poor quality of an Ever-Ready bulb. The court attributed this to carelessness in examining the marks and ignoring the Chicago address appearing on the blister packet. Mrs. Lonczak initially called telephone information service to obtain Ever-Ready's address. She apparently viewed the address given on the blister packet as inadequate but did call Chicago and asked for the address of the "EVEREADY battery people." Upon finding there were several "Ever Readys" listed, she called the store where she had purchased the bulbs, explained the problem with the bulbs, and asked for an address to which to send a letter of complaint. She was given Carbide's address. The district court states that there is no evidence that Mrs. Lonczak correctly identified the product to the store so as to enable it to identify Ever-Ready as the product's source. Presumably this is a reference to the difficulty in aurally distinguishing EVEREADY from Ever-Ready, and Mrs. Lonczak testified that she told the store that she was the person who had been complaining about the "EVEREADY" bulbs so it is possible, if she was talking to someone unfamiliar with her complaints, that the sales person thought she was referring to flashlight bulbs. The district court states that at most this evidences the store's confusion. The district court also states that "Mrs. Lonczak did not examine the 'Ever-Ready' mark on the miniature bulbs until after she was contacted by Carbide's counsel." 392 F. Supp. at 291. The testimony shows that while Carbide's counsel was interviewing Mrs. Lonczak her husband got an

EVEREADY battery from a flashlight, and they noticed the difference between the marks while comparing them.

We find the testimony of Mrs. Lonczak and her daughter probative of their confusion. We do not discredit the sales person's confusion because he was a sales person but rather because he was told of the product and the product is normally bought on a self-service basis—by sight. At least the district court's conclusion in this regard is not clearly erroneous. On the other hand, Mrs. Lonczak's testimony is clear that she thought the bulb was put out by the EVEREADY battery people when she purchased it, and her daughter's testimony is clear that she thought it was put out by the same company that put out batteries and flashlights from the time her mother gave her the bulbs. This is supported by her testimony that when she called information she asked for the address of the EVEREADY battery people. Her testimony cannot be discredited because she did not make an exacting examination of the Ever-Ready mark or did not compare it with a product of Carbide containing the EVEREADY mark. As we have indicated above, a side-by-side comparison is not the test of likelihood of confusion.

A district judge's determination of evidentiary matters is entitled to great respect. Though we disagree with the district judge on the above points, we would hesitate to find his determination that Carbide failed to establish likelihood of confusion was clearly erroneous were it not for the survey evidence presented at trial.

Two surveys were taken by an expert in the field of market research and public opinion surveys. One was taken to establish likelihood of confusion between Ever-Ready lamps and Carbide's products; one was taken to determine likelihood of confusion between Ever-Ready bulbs and Carbide's products. Relevant facts concerning the surveys follow:[11]

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11. Question 1 in each survey was a screening question designed to eliminate persons involved in the bulb or lamp industries.

Lamps Survey	*Bulb Survey*
Questions	
2) Who do you think puts out the lamp shown here?	2) Who do you think puts out these mini-bulbs?
3) What makes you think so?	3) What makes you think so?
4) Please name any other products put out by the same concern which puts out the lamp shown here.	4a) Have you seen or heard of any advertising by the concern which you think puts out these mini-bulbs?
	4b) Please specify where, what type and features you re-call.
	5) Please name any other products put out by the same concern which you think puts out these mini-bulbs.
A picture of an Ever-Ready lamp was shown to each person being interviewed.	A blister pack of Ever-Ready bulbs was shown to each person being interviewed.

Number Interviewed	1009	1014
Results:	Lamp Survey	Bulb Survey
Number who associated the products displayed with Union Carbide		
a) by answering Union Carbide	6 (.6%)	13 (1.3%)
b) by indicating Carbide products, such as batteries, as being put out by the same concern	551 (54.6%)	545 (53.7%)
Subtotals	557 (55.2%)	558 (55.0%)
c) associated blister packet with Carbide's advertising	—	57 (5.6%)
Totals	557 (55.2%)	615 (60.6%)

We note these percentages are substantially higher than those held sufficient in other cases to support in part an inference that confusion is likely. *Jockey International, Inc.* v. *Burkard, supra,* (11.4%); *Seven-Up Company* v. *Green Mill Beverage Co.,* 191 F. Supp. 32 (N. D. Ill. 1961), (25%); *Humble Oil & Refining Co.* v. *American Oil Co.,* 259 F. Supp. 559 (E. D. Mo. 1966), (18%); *Simoniz Co.* v. *Stumpmier,* 117 U. S. P. Q. 130 (E. D. Ill. 1957), (18%, 24%).

Prior to trial the survey questions were presented to Judge Tone, then a district judge, along with memoranda and arguments. He ruled the survey results would be admissible at trial but reserved the question of the weight to be given the survey evidence. In light of the cost of taking a survey, this was a commendable procedure to follow where parties cannot agree on survey questions. However, we also observe that desirable procedure would be for the parties to attempt in good faith to agree upon the questions to be in such a survey.

The district court found the surveys were entitled "to little, if any, weight." It based this holding on *General Motors Corporation* v. *Cadillac Marine & Boat Co.,* 226 F. Supp. 716 (W. D. Mich. 1964); the testimony of Thomas Fitzpatrick, plaintiff's expert; and certain statistical correlations.

In *Cadillac* the plaintiff introduced survey results which the court refused to credit. The purpose of the survey was to establish likelihood of confusion, and the questions were similar to those in the present case.[12] However, the mechanics of the Cadillac survey were sloppy. The sample was of only about 150 persons. Many had no knowledge of boats and were not "purchasers." The questioning was conducted by two college students, and the tabulations were held to be "neither accurate nor truly reflective." The court held the second question to be a "classic example of a leading question." *Id.* at 736. Why this characterization was justified is not clearly explained,

12. "(1) Who do you think puts out the boats shown on the opposite page; and (2) Will you please name anything else that you think is put out by the same concern?" 226 F. Supp. at 734 n. 16.

but the court did state: "The question directed an opinion to those who had formed none on the first inquiry." *Id.*[13]

In other cases, very similar surveys have been held to be of probative value. In *Sperry Rand Corporation* v. *Seawol Distributors, Inc.*, 140 U. S. P. Q. 532 (S. D. Cal. 1964), the court held a similar survey competent evidence which confirmed the independent judgment of that court. In *Standard Oil Co.* v. *Standard Oil Co.*, 141 F. Supp. 876 (D. Wy. 1956), *aff'd*, 252 F. 2d 65 (10th Cir. 1958), the district court relied in part upon a survey in which persons were asked what their reactions were to the word Sohio. In affirming, the appellate court approved the use of the survey by the district court.[14] 252 F. 2d at 74-75. *See also Girl Scouts of United States* v. *Hollingsworth*, 188 F. Supp. 707 (E. D. N. Y. 1960).

On cross-examination Thomas Fitzpatrick, plaintiff's expert who prepared and supervised the surveys testified:

"Q. Well, would you go so far as to say that the survey there conducted in the Cadillac case was not probative, or did not tend to show likelihood of confusion as to the source of origin of the Cadillac boats?
"A. I would say that it was a leading questionnaire.
"Q. And, therefore, slanted?
"A. Yes.

13. While scarcely illuminating on the efficacy of the survey utilized in *Cadillac*, there may be some aspects of *ratio decidendi* in the district court's observation: "General Motors should not be permitted to reach out its strong, choking, monopolistic hand to strangulate industries or free enterprises located within the City of Cadillac, Michigan." *Id.* at 741.

14. The questions asked in *Standard Oil* are not reproduced in the published opinions but are part of the record on this appeal. The questions were:

"1. If you were to stop at a service station in Michigan, displaying the name SOHIO as shown here, what oil company would you think put out the gas and oil sold there?

"2. What is there about the name that suggests that particular oil company to you?

"3. Please name any well-known brands or trade names used by that oil company for its gas or oil."

"Q. And, therefore, likely to lead to bias?
"A. Possibly, yes.
"Q. And, therefore, likely to lead to error?
"A. Correct."

On re-direct examination he testified that the sample size in the Cadillac survey was inadequate but that the questions were not leading and that on direct examination, when he testified to the contrary, he thought he was being asked what the judge thought in the Cadillac case. The re-direct examination took place after a recess; defendant implies that Fitzpatrick may have changed his testimony as a result of a conference with Carbide's attorneys. The district court neither specifically credited nor discredited this testimony, but it ignored it.

The district court noted that approximately 600 of the interviewees in the bulb survey (59.1%) responded "ever ready" to Question 2 "because it says so on the pack." He also noted that of the 176 who indicated a specific source of the product in response to this question approximately 90% identified someone other than Carbide.[15] There is no dispute that the answers to these first questions do not, alone, establish confusion.

The district court attached significance to the statistics which show that in the bulb survey 179 interviewees responded initially, "I don't know" to Questions 2 and 3 but of these 48 responded batteries or flashlights to the final question. These 48 were counted as cases of confusion. Finally, the court found the advertising question in the bulb survey improper because Ever-Ready does not advertise its mini-bulbs while Carbide does substantial advertising. While there is uncontradicted evidence that Ever-Ready bulbs have been advertised at least to a limited extent by dealers, we cannot hold the district court clearly erroneous for treating this advertising as insignificant in light of

15. Defendants similarly argue: "635 properly stated that the product was put out by 'Ever-Ready because it says so.' 179 answered 'I don't know.' 140 named G. E. or some other firm. 23 positively identified defendant as 'Ever-Ready, Chicago.' Thus a total of 977 or 97% were not confused."

the extreme disproportion between Ever-Ready's advertising and Carbide's.

We do, however, hold the district court clearly erroneous in not crediting the surveys taken by Carbide. That the first questions alone do not show likelihood of confusion is significant. They only show the interviewees do not associate the Ever-Ready name with Carbide. The test, as discussed *supra*, is whether they associate the products either with Carbide *or* with the single, though anonymous, source which manufactures EVEREADY products. Those who indicated that they believed other Carbide products were manufactured by the same company that produced the bulbs or lamps shown must be considered cases of confusion. The statistics regarding those who initially answered, "I don't know," though arguably consistent with the latter questions being leading, are also consistent with confusion resulting from an anonymous source. The questions on their face are not leading. Apparently the argument that they are leading is based on the likelihood that the first questions will provoke the response, "ever ready," and then the interviewee will be more likely to confuse the product because the marks are aurally identical while there are visual differences. This is not a case where the interviewer stated the similar parts of the plaintiff's name several times in questions and then asked about the defendant company. *Cf. Sears, Roebuck & Co.* v. *All States Life Insurance Co.*, 246 F. 2d 161 (5th Cir. 1957), *cert. denied*, 355 U. S. 894, 78 S. Ct. 268, 2 L. Ed. 2d 192. The surveys in this case do not share many of the weaknesses of the one in *Cadillac*. There was clear testimony that the sample size was sufficient, and that is not disputed. The survey was taken by professionals, who were stipulated to be qualified experts. The survey was directed to the relevant universe. Almost anyone would be likely to have purchased bulbs, lamps, batteries or flashlights. Thus a survey of the general population was appropriate. The general population is not equally interested in boats. A survey is more helpful where low value items are involved, rather than high value items, because purchasers of high value items are likely to study the product they are purchasing more carefully than the purchaser of a low value item. We do not, of course, mean to indicate that a survey could not be probative where high value items are in issue, an issue not before this court. *See Grotrian* v. *Steinway & Sons*, 365 F. Supp. 707, 715-17 (S. D. N. Y. 1973), *aff'd in relevant part*, 523 F. 2d 1331, 1339-42 (2d Cir. 1975).

We cannot hold the district court's determination that the advertising question was improper was clearly erroneous in light of the finding that Ever-Ready's advertising was insignificant compared to Carbide's. Fitzpatrick eliminated the advertising question from the lamp survey upon learning that it was not advertised. Since the only advertising the question was likely to call to mind was Carbide's, the responses indicating Carbide's advertisements cannot be counted as cases of confusion. Whether the presence of the question biased the survey results is a separate question. Carbide argues that a comparison of the results of the lamp survey (55.2% confused), which did not contain an advertising question, with the results of the bulb survey without considering the 57 respondents who were considered confused because they associated the bulbs with Carbide's advertising (55.0% confused) shows that the results were not biased. This argument carries some weight, but it is far from conclusive because it appears that those who associated both Carbide's advertising and Carbide's products with the bulbs were tabulated as cases of confusion by reason of having associated the products with the bulbs. Thus a person who might not have been confused if only asked about the products might have been reminded of EVEREADY advertising and then associated the advertising with other EVEREADY products. This weakens the probative value of the bulb survey. Nevertheless, we believe the likelihood of substantial bias as a result of the advertising question is small.

Taking into account all the above factors, we hold the district court clearly erroneous in finding no likelihood of con-

fusion. The predominant feature of the marks are the words "ever ready." The visual differences are not so substantial that they are likely to overcome the effect of this similarity when the marks are not side-by-side. The lamp survey showed substantial likelihood of confusion. The percentage of the interviewees confused was far in excess of the percentages which have been held sufficient to establish likelihood of confusion. Though the bulb survey cannot be credited to the extent of the lamp survey, we believe likelihood of confusion regarding the bulbs was also shown. There was evidence of actual confusion regarding the bulbs. The design of the Ever-Ready mark appearing on the bulbs is similar to that appearing on the lamp so its results tend to show the bulbs would be confused also. We do not believe the bias in the bulb survey was likely to be sufficiently great so as to reduce to insignificance the extremely high percentage of confusion shown by the survey.

III. Laches

Ever-Ready argued in the district court that even if it is infringing Carbide's mark, it should not be enjoined because Carbide is barred by laches. The essence of the argument was that Ever-Ready distributed products for Carbide about 1952 and therefore Carbide clearly knew of the company for many years. Prior to 1971, Ever-Ready did not market the electrical products involved in this case under its own name. It still markets many products under other names, including such products as flashlights (Femlite; Lumi*jet*). In the trade Ever-Ready has used its own name in marketing these products, but there is no evidence that this resulted in confusion. In 1971, Ever-Ready began marketing the products involved in this case. Carbide filed its complaint on December 30, 1971. The time lapse is insufficient to establish laches on the facts of this case. In any event, the issue of laches was not urged on this appeal and may be considered as having been waived.

IV. Antitrust Issues

As noted hereinbefore, the antitrust issues raised as an affirmative defense by the defendants were severed for separate trial pursuant to Fed R. Civ. P. 42(b) and are not involved in this appeal.

In their amended answer, the primary thrust of the defendants' antitrust contentions is directed toward 15 U. S. C. § 1115(b)(7), which relates only to one of the seven specified defenses to incontestability of plaintiff's trademarks. In this opinion, we have alternatively determined validity of the trademarks irrespective of the Lanham Act which arguably would appear to preclude any further viability to the antitrust defense. However, a fair reading of the antitrust affirmative defense would indicate that it is sufficiently broad as to include a claim for equitable denial of enforcement of the trademarks on the basis of their claimed use in violation of the antitrust laws aside from the specific defense to incontestability. In *Stiftung v. V. E. B. Carl Zeiss, Jena*, 298 F. Supp. 1309, 1314 (S. D. N. Y. 1969), *aff'd. on the point in issue*, 433 F. 2d 686, 706 (2nd Cir. 1970), *cert. denied*, 403 U. S. 905, 91 S. Ct. 2205, 29 L. Ed. 2d 680 (1971), Judge Mansfield, then of the district bench, reached the conclusion that although the issue was not free from doubt, "a court, in the exercise of its equity powers, may deny enforcement of a trademark on the part of one who has used that trademark in violation of the antitrust laws." We agree but we also agree with Judge Mansfield's opinion that the burden of such proof is a heavy one on the proponent of the issue and that the forces favoring the defense are much weaker than in patent cases which involve by their very nature a monopoly situation. Nevertheless, in view of the posture of this case as it has reached us, we will not deny the defendants the opportunity to take up the burden of proof.

V. Relief

The judgment of the district court is reversed and the case is remanded for further proceedings not inconsistent with this opinion. In the event of a failure by the defendants upon further proceedings to sustain their antitrust affirmative defenses, the district court will enter an appropriate injunction. In so doing, the court will have to determine whether Ever-Ready should be barred from using its name *in the trade* in connection with electrical products such as mini-bulbs and lamps. We also leave to the district court's discretion in the event the plaintiff ultimately prevails whether to grant the remedy of delivering up articles on which the mark appears sought by Carbide under § 1118. All further proceedings in this cause shall be reassigned to another judge pursuant to Circuit Rule 23.

Since all the relief plaintiff seeks may be granted under the federal act, we need not address plaintiff's state law unfair competition and dilution claims.

The judgment of this court will assess costs of this appeal against the defendants.

REVERSED AND REMANDED.

UNITED STATES COURT OF APPEALS
For the Seventh Circuit
Chicago, Illinois 60604

March 11, 1976

Before

HON. TOM C. CLARK, *Associate Justice**
HON. WILBUR F. PELL, JR., *Circuit Judge*
HON. ROBERT E. SPRECHER, *Circuit Judge*

UNION CARBIDE CORPORATION, a corporation, *Plaintiff-Appellant,* No. 75-1371 *vs.* EVER-READY INCORPORATED, a corporation, and MARK GILBERT, an individual, *Defendants-Appellees.*	Appeal from United States District Court for the Northern District of Illinois, Eastern Division. No. 71-C-3151 Prentice H. Marshall, *Judge.*

On consideration of the petition of the defendants-appellees, Ever-Ready Incorporated and Mark Gilbert, for rehearing,

IT IS ORDERED that the opinion of this court heretofore filed on January 30, 1976, shall be and hereby is amended in the following respects:

* Associate Justice Tom C. Clark of the Supreme Court of the United States (Retired) is sitting by designation.

(1) At page 5 of the slip opinion, the last sentence is amended to read as follows:

> Seven defenses then follow, but none are relevant in this appeal.[5]

(2) At page 14 of the slip opinion, the fourth sentence in the last paragraph is amended to read as follows:

> Plaintiff has established incontestability under § 1065, and defendants in the present appeal have not shown that any of the first six defenses enumerated in § 1115(b) are available to them.

(3) At page 34 of the slip opinion, the first sentence in the first full paragraph is amended to read as follows:

> We cannot hold the district court's determination that the advertising question was improper was clearly erroneous in light of the finding that Ever-Ready's advertising was insignificant compared to Carbide's.

(4) At page 35 of the slip opinion, the caption of the first full paragraph is amended to read as follows:

III. Laches

(5) At page 35 of the slip opinion, following the paragraph caption "III. Laches," the following new material is inserted in the opinion:

IV. *Antitrust Issues*

As noted hereinbefore, the antitrust issues raised as an affirmative defense by the defendants were severed for separate trial pursuant to Fed. R. Civ. P. 42(b) and are not involved in this appeal.

In their amended answer, the primary thrust of the defendants' antitrust contentions is directed toward 15 U.S.C. § 1115 (b)(7), which relates only to one of the seven specified defenses to incontestability of plaintiff's trademarks. In this opinion, we have alternatively determined validity of the trademarks irrespective of the Lanham Act which arguably would appear to preclude any further viability to the antitrust defense. However, a fair reading

of the antitrust affirmative defense would indicate that it is sufficiently broad as to include a claim for equitable denial of enforcement of the trademarks on the basis of their claimed use in violation of the antitrust laws aside from the specific defense to incontestability. In *Carl Zeiss Stiftung* v. *V.E.B. Carl Zeiss, Jena*, 298 F.Supp. 1309, 1314 (S.D.N.Y. 1969), *affd. on the point in issue*, 433 F.2d 686, 706 (2nd Cir. 1970), *cert. denied*, 403 U.S. 905 (1971), Judge Mansfield, then of the district bench, reached the conclusion that although the issue was not free from doubt, "a court, in the exercise of its equity powers, may deny enforcement of a trademark on the part of one who has used that trademark in violation of the antitrust laws."

We agree but we also agree with Judge Mansfield's opinion that the burden of such proof is a heavy one on the proponent of the issue and that the forces favoring the defense are much weaker than in patent cases which involve by their very nature a monopoly situation. Nevertheless, in view of the posture of this case as it has reached us, we will not deny the plaintiffs the opportunity to take up the burden of proof.

(6) At pages 35-36 of the slip opinion the final paragraphs entitled "V. Relief" are deleted and the following paragraphs are substituted:

V. Relief

The judgment of the district court is reversed and the case is remanded for further proceedings not inconsistent with this opinion. In the event of a failure by the defendants upon further proceedings to sustain their antitrust affirmative defenses, the district court will enter an appropriate injunction. In so doing, the court will have to determine whether Ever-Ready should be barred from using its name *in the trade* in connection with electrical products such as mini-bulbs and lamps. We also leave to the district court's discretion in the event the plaintiff ultimately prevails whether to grant the remedy of delivering up articles on which the mark appears sought by Carbide under § 1118. All further proceedings in this cause shall be reassigned to another judge pursuant to Circuit Rule 23.

Since all the relief plaintiff seeks may be granted under the federal act, we need not address plaintiff's state law unfair competition and dilution claims.

The judgment of this court will assess costs of this appeal against the defendants.

REVERSED AND REMANDED

Further, having considered the other contentions advanced by the defendants in their petition for rehearing, the said petition shall be and hereby is denied, and the opinion of this court heretofore issued, subject only to the amendments set forth in the foregoing order, shall stand as the opinion of this court.

UNITED STATES DISTRICT COURT,

N. D. Illinois, E. D.

Feb. 18, 1975.

UNION CARBIDE CORPORATION, a corporation,

Plaintiff,

vs.

EVER-READY INCORPORATED, a corporation, and Mark Gilbert, an Individual,

Defendants.

No. 71 C 3151.

MEMORANDUM OPINION.

MARSHALL, *District Judge.*

This is an action for trademark infringement and unfair competition brought by the plaintiff, Union Carbide Corporation (hereafter "Carbide"), pursuant to the Lanham Act, 15 U. S. C. § 1051 et seq., and the Illinois Trademark Act. Ill. Rev. Stat. 1973, ch. 140, § 8 et seq.[1] Jurisdiction is founded upon 15 U. S. C. § 1121 and 28 U. S. C. §§ 1332 and 1338.

The defendants Ever-Ready Incorporated, by change of name Ever-Ready International Ltd. (hereafter "Ever-Ready"), and Mark Gilbert (hereafter "Gilbert"), have asserted the affirmative defenses of laches and misuse of trademark in violation of the anti-trust laws. Prior to trial, the anti-trust misuse issues

1. Appended to Carbide's primary trademark infringement and unfair competition claims is a dilution claim brought pursuant to the Illinois Trademark Act, Ill. Rev. Stat. 1973, ch. 140, § 22, which provides for injunctive relief to protect against "dilution of the distinctive quality of the mark."

were severed pursuant to Rule 42(b) of the Federal Rules of Civil Procedure. Consequently, presently ready for decision are the issues of trademark infringement, unfair competition and laches.

Carbide is a New York corporation authorized to do business in Illinois with its principal place of business in New York. Ever-Ready is an Illinois corporation having its principal place of business in Chicago. Gilbert, a resident of Illinois, is the President, a Director and the General Manager of Ever-Ready. The matter in controversy, exclusive of interest and costs, exceeds the sum of $10,000.

In 1898 Carbide's predecessor, American Electrical Novelty and Manufacturing Company (hereafter "AEN&M") adopted the term EVER READY as a means of distinguishing its electrical appliance products from the products of others. In July, 1901, AEN&M originated and adopted as a trademark a device which included a monogram consisting of the letters "E" and "R", the word EVEREADY and the words THE FAMOUS EVER READY BATTERY.

On April 7, 1909, the corporate name of AEN&M was changed to American Ever Ready Company. The business, property and assets of American Ever Ready Company, including its trademarks, trade names and goodwill, were assigned and transferred in 1914 to Carbide's predecessor, the National Carbon Company.

Carbide and its predecessors have been engaged continuously since 1909 in manufacturing, distributing and selling throughout the United States batteries, flashlights and miniature lamp bulbs under the trademark EVEREADY, alone and in combination with other words and distinctive designs, including octagonal and hexagonal devices. Today Carbide is the owner of five United States trademark registrations of the trademark EVEREADY. Each trademark is in full force and effect, and affidavits for each have been filed pursuant to 15 U. S. C. §§ 1058 and 1065.

Presently, Carbide is selling under its trademark EVEREADY electric flashlights, miniature bulbs for automobile and marine use only and an extensive line of electric batteries.

Since 1966, Carbide's annual sales of flashlights, batteries, miniature bulbs and related products under its trademark EVEREADY, have exceeded $100 million. In addition, Carbide has advertised extensively throughout the years its batteries, flashlights and miniature bulbs under its trademark EVEREADY in magazines and on other periodicals, on radio and television and through point of sale displays. Its advertising has featured inter alia, dramatizations of the dependability, durability and long-lasting qualities of Carbide's products sold under its trademark EVEREADY. Carbide's total expenditures for advertising and promoting the sales of its products under the trademark EVEREADY from 1943 to 1974 exceed $50 million.

Defendant Gilbert began doing business in 1944 as Ever-Ready Florescent Company. In 1946, he and his wife formed a partnership called Ever-Ready Electric Company, the business of which was to distribute electrical products and gift goods. Ever-Ready was incorporated as an Illinois corporation on February 25, 1952 under the name Ever-Ready Electric Supply Company and succeeded to the business of Ever-Ready Electric Company. Thereafter, the name Ever-Ready Electric Supply Company was changed to Ever-Ready, Incorporated, in 1955, and to Ever-Ready International, Ltd., in 1972.

Essentially, Ever-Ready is an importer and distributor of electrical supplies, stationery, gift items and accessories including lamps, light bulbs, light fixtures and flashlights. It conducts business under the trade name "Ever-Ready" alone and in combination with a logo design.

Ever-Ready imports from Japan miniature lamp bulbs having the term "Ever-Ready" stamped on their base. Thereafter, Ever-Ready sells the miniature lamp bulbs at wholesale for resale by retailers. The bulbs are sold in blister packages. Each blister

pack, intended to be displayed by retailers at the point of sale, contains two bulbs and displays the term "Ever-Ready" in a four-sided logo, the words "high intensity minibulbs" and the legend, "(C) 1970 Ever-Ready, Inc., Chicago, Illinois 60607."

Ever-Ready imports high-intensity lamps manufactured in Japan bearing the term "Ever-Ready" stamped on the lamps or on removable labels attached thereto and desk lamps manufactured in Denmark with tags bearing the term "Ever-Ready" attached thereto. The desk lamps are sold with literature having the term "Ever-Ready" displayed thereon and with guarantee cards addressed to Ever-Ready Service Center. Appearing on all the lamps sold by Ever-Ready, however, is the name of the manufacturer.

Carbide seeks an injunction against Ever-Ready's use of the term "Ever-Ready" on and in connection with the advertising, offering for sale and sale of electrical products. Carbide also requests that Ever-Ready be required to deliver up to it the packaging and promotional material bearing the alleged infringing words and symbols.[2]

I. TRADEMARK INFRINGEMENT.

Section 32(1)(a) of the Lanham Act provides:

> "(1) Any person who shall, without consent of the [trademark] registrant—
>
> > "(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake or to deceive . . .
>
> shall be liable in a civil action by the [trademark] registrant. . . ." 15 U. S. C. § 1114(1)(a).

2. Carbide does not seek damages or an accounting of Ever-Ready's profits.

Section 45 of the Act defines "colorable imitation" as:

> ". . . any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive." 15 U. S. C. § 1127.

The gravamina of an action for federal trademark infringement are (1) that the trademark owner owns a currently valid federal trademark registration for his mark and (2) that the infringer uses a mark likely to cause confusion, mistake or to deceive in interstate commerce. In the present case the parties have stipulated that Carbide is the owner of the mark EVEREADY[3] and the evidence shows that Ever-Ready uses the term "Ever-Ready" in interstate commerce. Consequently, the validity of Carbide's mark and the likelihood of confusion caused by Ever-Ready mark are the remaining issues to be resolved on the trademark infringement question.

A. VALIDITY

Presumption of Validity. Under Section 7(b) of the Lanham Act, 15 U. S. C. § 1057(b), registration of a mark is "prima facies evidence" of (1) the validity of the registration, (2) the registrant's ownership of the mark and (3) the registrant's exclusive right to use the mark in commerce under the specified conditions and limitations of the registration. Thus, registration of a mark creates a presumption of validity, which is entitled to considerable weight. Miss Universe, Inc. v. Patricelli, 408 F. 2d 506, 509 (2d Cir. 1969). The presumption of the trademark's validity, however, is rebuttable, with the burden on the party attacking the mark or its registration. Schwinn Bicycle Co. v. Murray Ohio Mfg. Co., 470 F. 2d 975, 977 (6th Cir. 1972).

Here there is no dispute that Carbide registered its mark EVEREADY. Consequently, Carbide's mark is presumed valid.

Descriptive Term. Section 2(e) of the Lanham Act, 15 U. S. C. § 1052(e) provides in material part:

3. Stipulation of Uncontested Facts, ¶ 6.

"No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

* * * * *

"(e) Consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive of them . . ."

Succinctly, descriptive terms are not subject to trademark protection.[4] Clearly, then, where descriptive terms are used, the presumption of validity is rebutted. Shaw-Barton, Inc. v. John Baumgarth Co., 313 F. 2d 167 (7th Cir. 1963); John Morrell & Co. v. Reliable Packing Co., 295 F. 2d 314 (7th Cir. 1961).

Ever-Ready argues that Carbide's mark is descriptive only of the products to which it is attached and hence, is not protected by the trademark laws.

The nature of the term, the common and ordinary meaning of the term to the public and the relationship the term bears to the particular product determine whether the terms is descriptive. If the term conveys to the public the characteristics, quality, functions or other attributes of a product, it is descriptive. Warner & Co. v. Eli Lilly & Co., 265 U. S. 526, 44 S. Ct. 615, 68 L. Ed. 1161 (1924); Flexitized, Inc. v. National Flexitized Corp., 335 F. 2d 774 (2d Cir. 1964). Terms which describe the desirable aspects of a product, how a product functions or what the product looks like are descriptive. Quaker State Oil Refining Corp. v. Quaker Oil Corp., 453 F. 2d 1296 (CCPA, 1972) (the term SUPER BLEND held descriptive of multi-viscosity oils, because the conclusion is inescapable that the product is an allegedly superior blend of oils); Ralston Purina Co. v. Thomas J. Lipton, Inc., 341 F. Supp. 129 (S. D. N. Y.

4. Since descriptive terms describe merely the goods to which they are attached, they do not perform the essential trademark function of identifying the source of the goods and distinguishing them from the goods of others. Hence, the statutory exclusion. Ar-type, Inc. v. Zappulla, 228 F. 2d 695 (2d Cir. 1956).

1972) (the term Tender Vittles only a descriptive term because the unique characteristic of the product [cat food] and the quality which sets it apart from other non-canned cat foods is that characteristic which is conveyed by the words "tender vittles"); S. M. Flickinger Co. v. Beatrice Foods Co., 174 U. S. P. Q. 51 (T. T. A. B. 1972) (the term SUPER DUPER entitled only to a limited protection since it is a commonly used expression which signifies great excellence, size or the like).

Here Carbide and Ever-Ready sell a number of electrical products. Batteries, flashlights, lamps and miniature bulbs are among the products sold by either Carbide or Ever-Ready. The mark at issue consists of two words "ever" and "ready". According to The American Heritage Dictionary of the English Language (1969), the primary meaning of the word "ever" is: "at all times; constantly, repeatedly." The same dictionary defines the word "ready" as "prepared or available for service or action." Thus, the combination of "ever" and "ready" means constantly prepared or available for service. Those words as they relate to the products sold by the parties describe a characteristic or attribute of the products. Indeed, Carbide's national advertising in magazines and trade journals, on radio and television and through point of sale displays has featured dramatizations of emergencies overcome as a result of the dependability, durability and long-lasting qualities of the products sold under the mark EVEREADY.

Other uses of the words "ever" and "ready" in connection with various products and services manifests the intended descriptiveness of them. For example, Ever-Ready introduced into evidence advertisements of "Ever-Ready Oil", "Ever-Ready Calendars", "Everedy Housewares", "Ever Ready Mailing Lists", the "Ever-Ready Shaving Brush" and the "everedy Koke-Toter" [cake server and carrier]. Defendant's Exhibits Nos. 119, 120, 123, 124, 125 and 127.[5]

5. While these third party uses of the terms "ever" and "ready" involved goods or services which are unrelated to electrical products, they are illustrative of the descriptive nature of the terms.

On the other hand, descriptive terms must be distinguished from suggestive terms, since the latter are protected by the federal trademark laws. Watkins Prods. Inc. v. Sunway Fruit Prods., Inc., 311 F. 2d 496 (7th Cir. 1962). Suggestive terms "suggest", but do not describe the qualities of a particular product. The distinction threatens to be one without a difference. Essentially, however, the common and ordinary meaning of the term to the public and the incongruous use of it as it relates to the product determine whether a term is suggestive. General Shoe Corporation v. Rosen, 111 F. 2d 95, rhg. denied, 112 F. 2d 561 (4th Cir. 1940) ("[Suggestive] terms . . . shed some light upon the characteristics of the goods, but so applied they involve an element of incongruity and in order to be understood as descriptive, they must be taken in a suggestive or figurative sense through an effort of the imagination on the part of the observer"); W. G. Reardon Laboratories, Inc. v. B & B Exterminators, Inc., 71 F. 2d 515 (4th Cir. 1934) (holding that the term MOUSE SEED for rat poison suggested that the product consists of small seeds which exterminate rodents and did not describe seeds which grow mice); Stewart Paint Mfg. Co. v. United Hardware Distributing Co., 253 F. 2d 568 (8th Cir. 1958) (holding the term Flint-Top for paint did not describe a paint with a top made of flint but suggested that the paint, when dry, had a hard surface).

The terms "ever" and "ready" as they relate to electrical products do not come within the "suggestive" classification.[6]

6. See 1 Nims' Unfair Competition and Trade-Marks, § 201 (1947), wherein it is stated:

> "A practical test [of whether a term is descriptive] is to inquire whether giving to the plaintiff the right to appropriate the word as his trade-mark in any way 'restricts others from properly describing similar articles produced by them. . .' In some cases where trade-marks have been held to be invalid, the courts have pointed out the words claimed as trade-marks are the only words or the most appropriate words by which the goods can be named or described. Where recognition of trade-mark rights woud deprive competitors of the only or best

(Continued on next page)

Two cases are troublesome. In Independent Nail & Pack Co. v. Stronghold Screw Products, Inc., 205 F. 2d 921 (7th Cir. 1953), the Court of Appeals for the Seventh Circuit held that the mark Stronghold was not descriptive but suggestive when used in connection with nails. The defendant argued that the mark referred to the superior holding power of a nail manufactured by the plaintiff and consequently was descriptive. In rejecting the argument, the court stated in material part:

> "Although the word 'Stronghold' is suggestive of one of the attributes of plaintiff's nail . . ., it is not descriptive of a nail, let alone that type of nail. A person unaware of the particular product, or the manufacturer, upon seeing or hearing the name 'Stronghold' would find it virtually impossible to identify the product to which it might have been applied. The label 'Stronghold' on a carton, with no other words to designate the contents, would never reveal that the contents were nails of a particular type." 205 F. 2d at 925.

If by this the court meant to hold that in order to be descriptive a term must identify, at least impliedly, the product, I disagree. Describing a characteristic, a quality or an attribute of the product is sufficient. Warner & Co. v. Eli Lilly & Co., 265 U. S. 526, 44 S. Ct. 615, 68 L. Ed. 1161 (1924). To hold otherwise would mean that words like "Superior", "Best" and "Super", all of which claim merely the excellence of a product, would be considered suggestive. Indeed, under this view only nouns could be considered descriptive. The consequence would

(Continued from preceding page)

> means of naming and describing their wares there can be no doubt as to the invalidity of the claimed trade-mark. . . . Competitors have a right to use any and all words which, though not absolutely necessary, may appropriately and honestly be used, in their normal sense, with reference to the goods."

Arguably the words "ever" and "ready" are particularly appropriate for service goods such as electrical products. Consequently, they should not be entitled to trademark protection. See also, Minnesota Mining & Mfg. Co. v. Johnson & Johnson, 454 F. 2d 1179, 1180 (CCPA 1972).

make the exclusion of generally descriptive terms from trademark protection meaningless.[7]

There was, however, an additional factor in *Stronghold* that is not present here. The defendant in *Stronghold*, when threatened with litigation, registered its Stronghold mark in 46 states. The court emphasized that the defendant was in a weak position to assert the descriptiveness of the term in light of its prior conduct. 205 F. 2d at 926.

Watkins Products, Inc. v. Sunway Fruit Products, 311 F. 2d 496 (7th Cir. 1962) was a case which arose initially from a Patent Office trademark cancellation proceeding.[8] The Trademark Trial and Appeal Board held unanimously that the mark FRESHIE, registered in 1944 for use in connection with beverage bases for soft drinks, was entitled to trademark protection; that confusion was likely to arise from the concurrent use of FRESH-AID or FRESH-AIDE and FRESHIE and that the registrations of FRESH-AID and FRESH-AIDE, obtained in 1957, were cancelled.

An appeal to the district court ensued. That court reversed the Board and found that FRESHIE was a descriptive term when used in connection with beverage bases for soft drinks. The Court of Appeals for the Seventh Circuit, reversing the district court, found that FRESHIE was entitled to protection but emphasized:

> "It should be kept in mind that the instant case did not arise in the District Court. This was a Patent Office cancellation proceeding. The role of the District Court is different in this kind of proceeding than a case where a suit involving the validity of a trademark is originally commenced in the District Court . . . 'a finding of fact by the Patent Office . . . must be accepted as controlling, unless the contrary is established by evidence . . . a mere preponderance of the evidence is not sufficient. . . .'" 311 F. 2d at 498-99.

7. Certainly, there is nothing incongruous in the use of the term "Stronghold" for describing nails.

The briefs submitted to the Court of Appeals in *Stronghold* did not raise the "incongruity requirement" for suggestive terms.

8. This proceeding results from a petition being filed with the Patent Office objecting to the use of a mark and requesting cancellation of the objectionable mark's registration.

Watkins is not this case.

When the mark EVEREADY is applied to the electrical products sold by Carbide, the conclusion is inescapable that the products are dependable and durable. Accordingly, I find that Carbide's mark EVEREADY is descriptive and within the purview of § 2(e) of the Lanham Act. 15 U. S. C. § 1052(e).

Secondary Meaning. Carbide argues that assuming *arguendo* EVEREADY is a descriptive term, it is still entitled to trademark protection since it has acquired secondary meaning.

A descriptive term may be protected as a trademark if it has secondary meaning. It acquires secondary meaning through usage on a product so that it signifies to the public that the product is produced by a particular source. 1 Nims, Unfair Competition and Trademarks, § 37 (1947). Simply stated, the primary significance of the term to the public must be the producer, so that the public associates the goods designated by the mark with a particular source. Kellogg Co. v. National Biscuit Co., 305 U. S. 111, 59 S. Ct. 109, 83 L. Ed. 73 (1938); Keller Prods., Inc. v. Rubber Linings Corp., 213 F. 2d 382 (7th Cir. 1954).[9]

Proof of secondary meaning must satisfy rigorous "evidentiary requirements." Ralston Purina Co. v. Thomas J. Lipton, Inc., 341 F. Supp. at 133. Consequently, the burden of proving

9. Section 2(f) of the Lanham Act provides in material part:
". . . nothing in this chapter shall prevent the registration of a mark by the applicant which has become distinctive of the applicant's goods in commerce." 15 U. S. C. § 1052(f).

Essentially, section 2(f) provides that when a non-distinctive designation, e.g., a descriptive term, has become distinctive of the producer's goods in commerce, it is subject to trademark protection. Seemingly, "secondary meaning" and "distinctiveness" are synonymous.

secondary meaning which is on the party asserting it, Keller Prods., Inc. v. Rubber Linings Corp., 213 F. 2d at 386, is necessarily "substantial." Aloe Creme Laboratories, Inc. v. Milsan, Inc., 423 F. 2d 845 (5th Cir. 1970), cert. denied 398 U. S. 928, 90 S. Ct. 1818, 26 L. Ed. 2d 90 (1970).

Relevant factors on the issue of secondary meaning are: the amount and manner of advertising, volume of sales, the length and manner of use, direct consumer testimony and consumer surveys. See Ralston Purina Co. v. Thomas J. Lipton, Inc., 341 F. Supp. at 134 ("The term in question must have been 'used in such a manner, over such a period of time, and to such an extent that the purchasing public associates' it with the goods of a particular source"); Sun Valley Mfg. Co. v. Sun Valley Togs, Inc., 39 F. Supp. 502, 503-04 (S. D. N. Y. 1941) ("The elements to be considered in determining whether a name has acquired a secondary meaning are generally (a) length of use of such name, (b) the nature and extent of popularizing and advertising such name, (c) the efforts in promoting the consciousness of the public in connecting that name with a particular product").

The evidence shows that Carbide and its predecessors have distributed and sold electrical products under the EVEREADY mark since 1909; that in 1915 10 million dry cell batteries marked EVEREADY alone were sold with an advertising cost of approximately $225,000; that Carbide's sales of electrical products under the EVEREADY mark from 1963 to 1973 exceeded $100,000,000 each year; that during the 1963-1973 period Carbide advertised in magazines and trade journals, on radio and television and through point of sale displays and that the cost of the 1963-1967 advertising was $50,000.000.

But length of use and volume of sales alone cannot establish secondary meaning. Moreover, the cost of advertising does not establish the success of it but merely the efforts to establish secondary meaning. Aloe Creme Laboratories, Inc. v. Milsan,

Inc., 423 F. 2d at 850; Ralston Purina Co. v. Thomas J. Lipton, Inc., 341 F. Supp. at 134. Indeed, short of a survey, secondary meaning is difficult of direct proof. Aloe Creme Laboratories, Inc. v. Milsan, Inc. 423 F. 2d at 849.

Carbide introduced two surveys in evidence on the issue of likelihood of confusion.[10] The surveys, however, do not help on the secondary meaning issue. There is no apparent evaluation of the products which would form a basis for the acquisition of secondary meaning. Indeed, there is no showing that the interviewee had past experience with Carbide's products so as to establish brand awareness.

Carbide failed to prove that the EVEREADY mark has acquired secondary meaning. Accordingly, since EVEREADY is a descriptive term without secondary meaning, it is not entitled to trademark protection.

B. LIKELIHOOD OF CONFUSION.

Assuming *arguendo* that EVEREADY is either (1) a non-descriptive term or (2) a descriptive term which has acquired secondary meaning, the issue of whether Carbide established the requisite likelihood of confusion caused by the term "Ever-Ready" must be considered.

To be entitled to relief Carbide must show that Ever-Ready's use of the term "Every-Ready" is likely to confuse the public into believing that the product on which the term appears is produced by Carbide. There is no requirement that actual confusion occur. Tisch Hotels, Inc. v. Americana Inn, Inc., 350 F. 2d 609, 611 (7th Cir. 1965); Keller Prods., Inc. v. Rubber Linings Corp., 213 F. 2d at 386. Moreover, whether a pros-

10. Carbide introduced into evidence two surveys. One survey involved the use of the term "Ever-Ready" on high intensity minibulbs and sought to determine whether such use would likely confuse the public into believing that the bulbs were produced by Carbide. The other survey's purpose was the same but it involved the use of the term "Ever-Ready" on lamps.

The surveys and the weight to be accorded them on the issue of the likelihood of confusion are discussed *infra* at pp. 292-294.

pective purchaser, seeing the marks of the parties side by side, would believe that the marks were the same, is not determinative. G. D. Searle & Co. v. Chas. Pfizer & Co., 265 F. 385 (7th Cir. 1959); Albert Dickinson Co. v. Mellos Peanut Co., 179 F. 2d 265 (7th Cir. 1950). Rather the crux of the matter is the purchasing public's state of mind when confronted by similar marks singly presented. G. D. Searle & Co. v. Chas. Pfizer & Co., 265 F. 2d at 388.[11]

Since it is the effect on prospective purchasers that is important, the conditions under which they act are vital.

Competition between Carbide and Ever-Ready. In the present case, Carbide and Ever-Ready do not sell competing goods. Carbide employs its EVER-READY mark in the sale of batteries, flashlights, lanterns and miniature lamp bulbs advertised for automobile and marine use. Ever-Ready does not sell batteries. The only flashlights and lanterns sold by it bear the tradenames of the products' manufacturers, which is not Ever-Ready. Moreover, Ever-Ready does not distribute miniature bulbs for automobile and marine use, but limits sale of its bulbs to those intended for use in high intensity home lamps. The fact that Carbide's miniature bulbs, advertised only for automobile and marine use, can be used in high intensity lamps is inconclusive since the consuming public is not aware of and has no way of knowing the interchangeability of the Carbide bulb. Finally, Carbide does not sell any of the various other products sold by Ever-Ready, e.g., lamps, ash-trays, vacuum jugs and other gift items.

The absence of competition between Carbide and Ever-Ready, however, is not necessarily fatal to Carbide's claim. Beef Eater Restaurants, Inc. v. James Burrough, Ltd., 398 F. 2d 637 (5th Cir. 1968) (Beefeater for gin enforced against Beef/Eater for restaurants); Yale Electric Corp. v. Robertson, 26 F. 2d 972 (2d Cir. 1928) (Yale mark on locks and keys

11. Consumer surveys and evidence of actual confusion are the best, if not the only means, to determine the prospective purchaser's state of mind.

enforced against Yale on flashlights and batteries); Wall v. Rolls-Royce of America, Inc., 4 F. 2d 333 (3d Cir. 1925) (Rolls-Royce for automobiles and airplanes enforced against Rolls Royce for radio tubes).[12] Carbide need only show that Ever-Ready's products are sufficiently related so that the public is likely to assume that Carbide is their source.

Nothing was presented at trial establishing a relationship between Ever-Ready miniature bulbs and desk lamps and Carbide's flashlights, batteries, lanterns and bulbs. Carbide attempted to show that a camping lantern manufactured by it was similar to Ever-Ready's desk lamps. The comparison was not persuasive. Similarly, Carbide relied on the fact that its automobile and marine bulbs were interchangeable with Ever-Ready's high intensity miniature bulbs. Again, while there was obviously some relationship established, it could not result in confusion since the consuming public was unaware of the interchangeability.

Assuming *arguendo* that the parties' products are related, there still must be independent proof that confusion is likely. Continental Motors Corp. v. Continental Aviation Corp., 375 F. 2d 857 (5th Cir. 1967). Carbide also failed here.

Actual Confusion. Carbide introduced evidence of three instances of alleged actual confusion. Of the three, two occurred after the filing of the complaint.[13] First, Carbide introduced a complaint letter from a Mrs. Kaplan in San Francisco which was mailed December 29, 1971. When initially sent, the letter was addressed to Ever-Ready in Chicago,[14] but was returned

12. Interestingly, the trademarks in these cases had gained fame and notoriety for excellence and quality. In the present case there is no evidence that the EVEREADY mark had gained such stature.

13. The other instance of alleged confusion occurred the day before the filing of the complaint December 29, 1971.

14. The envelope read:

"Ever-Ready, Inc.
Chicago, Illinois 60607"

The zip code appearing on the envelope was the correct Ever-Ready zip code.

to Mrs. Kaplan by the Post Office for "insufficient address."[15] Only after the letter's return did Mrs. Kaplan send it to Carbide in New York. This incident does not prove that Mrs. Kaplan was confused. Initially she knew from whom she purchased the defective product since she addressed the letter to Ever-Ready in Chicago. Indeed, she gave the exact address which appears on Ever-Ready's miniature bulb blister packs. At the least, this incident shows that Mrs. Kaplan did not identify Carbide as the source of the product.[16]

Next Carbide called a Mrs. Ballis to testify. On October 11, 1971, a Mr. Speckman, at that time Carbide's Chicago counsel, instructed Mrs. Ballis, his secretary, to go out and purchase EVEREADY high intensity miniature lamp bulbs, well knowing that Carbide did not manufacture such bulbs.[17] Thereafter, Mrs. Ballis proceeded to Marshall Field & Co., a department store in Chicago. The Field's sales clerk showed Mrs. Ballis Ever-Ready's miniature bulbs, who insisted that those particular bulbs were not manufactured by Carbide. Despite Mrs. Ballis' protests, the sales clerk assured her that the bulbs were made by Carbide. After purchasing the Ever-Ready bulbs, Mrs. Ballis returned to Speckman to inform him of what transpired. According to Mrs. Ballis, his reaction was "kind of humorous." Record, Vol. 2, at 313. Immediately, however, he requested Mrs. Ballis to write down what had happened.

The sales clerk's confusion is not entitled to any weight. Obviously the desire to make a sale influenced her actions.

15. The declaration "insufficient address" on the envelope, if offered for the truth of it, is hearsay. Consequently, the only meaning which I can ascribe to it is that the letter reached some point in postal delivery; that the Post Office returned it to Mrs. Kaplan who subsequently addressed a second envelope to Carbide in New York.

16. There is no evidence in the record that Mrs. Kaplan's remarks in her letter regarding the quality of the goods and "your good reputation" were directed particularly at Carbide.

17. At the time Speckman had in his possession Ever-Ready blister pack cards containing its high intensity miniature bulbs. The alleged purpose of the Ballis excursion, as represented to her, was to enable Speckman to compare Ever-Ready and Carbide bulbs.

At least, it is impossible to distinguish between her alleged confusion and her desire to make a sale. Moreover, evidence of this type, manufactured by a party after a complaint has been filed, is suspect.

Finally, Carbide called a Mrs Lonczak and her daughter, Barbara, to testify to their alleged confusion regarding the source of certain miniature lamp bulbs purchased by them. Mr. Lonczak had purchased miniature lamp bulbs marked "Ever-Ready" for Barbara's reading lamp. When the bulbs burned out, Barbara wrote a letter protesting the poor quality of the bulbs. In addressing the letter, however, Barbara and Mrs. Lonczak ignored completely the Chicago address of Ever-Ready appearing on the blister package which carried the bulbs and instead used Carbide's New York address.[18] Apparently, the obvious difference in the addresses was of no moment. Also, the testimony establishes that Mrs. Lonczak did not examine the "Ever-Ready" mark on the miniature bulbs until after she was contacted by Carbide's counsel. Record, vol. 1 at 141-42. The most cursory examination of the marked "Ever-Ready" and EVEREADY reveals their dissimilarities.[19] Occasional confusion by careless and inattentive people cannot sustain an action for trademark infringement and unfair competition. S. C. Johnson & Son, Inc. v. Johnson, 266 F. 2d 129, 141 (6th Cir. 1959).

18. Mrs. Lonczak called telephone information in Chicago for Ever-Ready's complete Chicago address. After being told by the operator that there were several Ever-Ready's listed in Chicago, Mrs. Lonczak terminated her Chicago efforts and telephoned the store at which she purchased the bulbs. She obtained therefrom Carbide's New York address. Arguably, the testimony of Mrs. Lonczak and her daughter evidences only the store's confusion, especially in light of Mrs. Lonczak's Chicago efforts. Also, there is no evidence establishing whether Mrs. Lonczak correctly identified the product which she purchased so as to enable the store to identify Ever-Ready as the product's source.

19. In determining whether a mark causes confusion with another, I may compare and contrast the marks. When "Ever-Ready" and EVEREADY are so analyzed, I conclude that the two marks are not likely to be confused with each other. Although my conclusion is formed on the whole appearance, its expression must necessarily detail the differences. The EVEREADY mark as used has

(Continued on next page)

Survey Evidence. Carbide introduced in evidence two surveys to establish the likelihood of confusion caused by the term "Ever-Ready" with its mark EVEREADY. While the survey were ruled admissible prior to trial, the question of the weight to be accorded them was reserved expressly for trial.[20] After considering the testimony of Carbide's expert, Thomas Fitzpatrick (hereinafter "Fitzpatrick"),[21] who supervised the preparation[22] and giving of the surveys, and analyzing the survey questions, I conclude that the surveys are entitled to little, if any, weight.

First Carbide introduced the mini-bulb survey in evidence. The purpose of the offer was to establish that the use of the term "Ever-Ready" on Ever-Ready's high intensity miniature bulbs was likely to confuse the public into believing that the bulbs were produced by Carbide. 1,014 persons were interviewed. Each interviewee, after qualifying for the survey, was shown a blister pack of Ever-Ready miniature bulbs and asked:

Question 1: Who do you think puts out these mini-bulbs?

Question 2: What makes you think so?

(Continued from preceding page)

all letters capitalized. "Ever-Ready" as used only has the "E" and "R" capitalized. Ever-Ready's mark consists of two words. The marks are spelled differently. The EVEREADY mark appears in ascending and descending block letters and appears generally on a blue or red background, which is pentagonal or hexagonal in shape. "Ever-Ready" is written in descending script on a black trapezoidal background.

20. On April 11, 1973, Judge Tone ruled "conditionally" that the surveys were admissible in evidence. In suggesting certain changes in the framing of two survey questions, Judge Tone stated: "I am therefore not deciding or intimating any opinion as to whether the survey might be more or less persuasive if it were recast." Clearly the April 11 ruling did not go to the weight to be accorded the surveys.

21. Ever-Ready stipulated that Fitzpatrick is an expert in the field of market research and public opinion surveys.

22. Fitzpatrick had the final say on the wording of survey questions. Record, vol. 1 at 172.

Question 3a: Have you seen or heard of any advertising by the concern which you think puts out these mini-bulbs?

Question 3b: Please specify where, what type and features you recall.

Question 4: Please name any other products put out by the same concern which you think puts out these mini-bulbs.

Next Carbide introduced the lamp survey in evidence. Again, the purpose was to establish that the use of the term "Ever-Ready" on the lamps sold by Ever-Ready was likely to confuse the public into believing that the lamps were produced by Carbide. Like the bulb survey, each interviewee was shown the product marked "Ever-Ready", but unlike the bulb survey, the interviewees were asked only:

Question 1: Who do you think puts out the lamp shown here?

Question 2: What makes you think so?

Question 3: Please name any other products put out by the same concern which you think puts out the lamps shown here.[23]

Carbide claims that 615 of 1014 (61%) interviewees identified it in the bulb survey as the source of the miniature bulbs. Of those 615, 13 interviewees identified Carbide specifically in answer to Questions 1 and 2; 545 interviewees answered "batteries" and/or "flashlights" in response to Question 4, and 57 interviewees associated their responses to Questions 1 and 2 with Union Carbide advertising.

Also, Carbide claims that 557 of 1009 (55%) interviewees identified it in the lamp survey as the source of the product. Of those 557, 6 identified Carbide specifically in answer to Questions 1 and 2 and 551 interviewees answered "batteries" and/or "flashlights" in response to Question 3.

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23. Questions 1, 2, 3a, 3b and 4 of the bulb survey were numbered Questions 2, 3, 4a, 4b and 5 in the actual survey. Questions 1, 2 and 3 of the lamp survey were numbered Questions 2, 3 and 4 in the actual survey.

Questions 1 and 2 of the bulb and lamp surveys establish nothing. The evidence shows that in the bulb survey, approximately 600 interviewees who responded "ever ready" to Question 1 answered "because it says so on the pack" or "because I can read it on the blister pack." At best, such responses show the reading ability of the interviewee. Certainly, the responses are equivocal on the issue of the product's source. Indeed, Fitzpatrick when asked:

> . . . where the respondent answered "Ever-Ready" to Question [1], and to the follow-up Question [2], "Because it says so" or "I can read it on the packet," how does that prove anything other than that the respondent can read the name "Ever-Ready" on the packet?

responded:

> I would say it does not help it. Record, vol. 2 at p. 249.

In light of the responses to Questions 1 and 2, Questions 3 and 4 of the lamp and bulb surveys respectively, proceeded to suggest an opinion of those interviewees who had not formed one. For example, in the bulb survey 179 interviewees responded initially, "I don't know" to Questions 1 and 2, but after Question 4 was asked, 48 of the 179 responded "batteries" or "flashlights."[24] A similar question was condemned as leading in General Motors Corp. v. Cadillac Marine & Boat Co., 226 F. Supp. 716 (W. D. Mich. 1964). There General Motors sought to enjoin the Cadillac Marine & Boat Co. from manufacturing and selling "Cadillac" boats. A survey, consisting of an interviewer showing an interviewee a picture of a "Cadillac" boat advertisement and asking (1) who do you think puts out the boats shown . . . and (2) will you please name anything else that you think is put out by the same concern, was introduced in evidence to establish likelihood of confusion. The court, finding the second question defective on the grounds that it was leading and suggestive, stated:

24. Interestingly, these 48 interviewees were counted as cases of confusion.

> "To demonstrate the propensity of the question to lead, an examination of the survey booklets provides many instances where a person who drew a complete blank on the initial question was suddenly reminded of cars and General Motors by the way in which the second question is phrased. This reminder was the product, not of the advertisement, but of the second question itself." 226 F. Supp. at 736.

In support of this conclusion, Fitzpatrick testified:

> Question: Well, would you go so far as to say that the survey there conducted in the Cadillac case was not probative, or did not tend to show likelihood of confusion as to the source of origin of the Cadillac boats?
> Answer: I would say that it was a leading questionnaire.
> Question: And, therefore, slanted?
> Answer: Yes.
> Question: And, therefore, likely to lead to bias?
> Answer: Possibly, yes.
> Question: And, therefore, likely to lead to error?
> Answer: Correct.[25]
> Record, vol, 2 at pp. 226-227.

Strangely, Fitzpatrick does not reach the same conclusions on the bulb and lamp surveys here, despite the great similarities they share with the *Cadillac* survey.

Also Question 3a of the bulb survey biases that survey in favor of Carbide. Ever-Ready does not advertise its mini-bulbs. On the other hand, Carbide spent in excess of $50 million for advertising and promoting the sales of its EVEREADY products between 1943 and 1973. Consequently, the only advertising that would suggest the source of the mini-bulbs would originate from Carbide.[26] In explaining why Question 3a was not included in the lamp survey, Fitzpatrick testified:

25. The record does not support Carbide's contention that Fitzpatrick was restating what he understood to be the court's position in the *Cadillac* case.

26. Carbide argues that Ever-Ready's point of sale display advertising is sufficient to remove any bias from Question 3a. I disagree. Certainly, such displays do not resemble in kind and do not reach the magnitude of Carbide's national advertising over the past 30 years.

Question: What, again was your explanation for dropping Question [3a of the bulb survey] in the lamp survey?

Answer: To the best of my knowledge I was informed that there was no advertising performed by the defendant on the lamp survey—on his lamps.

Question: Just no advertising or—who informed you of that?

Answer: The firm of Nims, Halliday.

Question: Well, what did they say to you on that specifically?

Answer: They said that the—when they asked me to prepare a questionnaire for the lamp study, I prepared an identical questionnaire for both studies, and they said, well, there no advertising—the defendant has not done any advertising. Do you think we should ask that particular question? I said no.

Question: And why did you think that that question should not be included if in fact the defendant had done no advertising of the lamp?

Answer: Because if we insert it there, I think you can be accused—we could be accused of showing a bias for the Union Carbide Company.

* * * * *

Question: Well, how could you be accused of showing a bias for the Union Carbide Company by including Question [3a] if the defendant did no advertising of its product being surveyed.

Answer: Because if we asked that question of a respondent and the defendant did not use it, how could they possibly answer in terms of the defendants' product?

Question: And, therefore, the only advertising that would be likely to be called to mind would be Union Carbide's advertising?

Answer: That would be correct.

Record, vol. 2, at pp. 235-237.

Seemingly, the same rationale is applicable to the bulb survey. Succinctly, the bulb and lamp surveys do not establish the requisite likelihood of confusion between the term "Ever-Ready" and the mark EVEREADY.[27]

For the reasons hereinbefore stated, defendants' use of the term "Ever-Ready" does not constitute a violation of the trademark infringement laws.[28]

II. UNFAIR COMPETITION.

Carbide seeks relief based on Ever-Ready's alleged unfair competition.

First, the term "Ever-Ready" is different from the mark EVEREADY. *Supra,* note 19. Consequently, it is not likely that they will be confused. Assuming *arguendo,* however, that they are similar, Carbide has not proved the requisite likelihood of confusion. *Supra,* pp. 289-295.

Accordingly, I find that the use of the term "Ever-Ready" does not constitute unfair competition.

Carbide's claim for relief based on dilution under Ill. Rev. Stat. 1973, ch. 140, § 22, is without merit. Accordingly that claim is rejected.

The foregoing will constitute findings and conclusions under Rule 52(a) of the Federal Rules of Civil Procedure. Judgment will enter dismissing plaintiff's complaint and defendants will have judgment for their costs.

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27. Interestingly, 140 interviewees in the bulb survey identified a company other than Carbide and Ever-Ready as the source of the mini-bulbs. If the 36 interviewees who identified either Carbide [13] or Ever-Ready [23] as the source of the mini-bulbs are added to the 140 figure, the total number who identified a specific source for the product is 176. Of the 176, 163 [approximately 90%] interviewees identified Ever-Ready or someone other than Carbide as the products' source.

28. In light of my conclusion on the trademark infringement issue, I do not reach defendants' affirmative defense of laches.

Wrong fee
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IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

No. 77-1378

UNION CARBIDE CORPORATION, a corporation,

Plaintiff-Appellee

v.

EVER-READY INCORPORATED, a corporation, and
MARK GILBERT, an individual,

Defendants-Appellants

APPEAL FROM UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION, Honorable George N. Leighton, Judge Presiding

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MOTION FOR LEAVE TO FILE BRIEF OF AMICI CURIAE;
ALSO
THE PROFFERED BRIEF

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Arlington Heights, Illinois
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EN BANC DISTRIBUTION REQUESTED

MOTION FOR LEAVE TO FILE AMICUS BRIEF

The undersigned attorneys of this Court, in "officer of the court" capacity, and without client or client interest, move for leave to file the accompanying Brief of Amici Curiae.

STATEMENT OF INTEREST

There is no interest in this matter on the part of the undersigned other than the public interest, especially the public interest in justice, in the integrity and reputation of this Court, in the establishment of reliably fair judicial procedures and the like. In a sense, this effort is against the personal interest of the undersigned, because as to the valued relations with this Court there is full recognition that this effort to point out an error by this Court is likely to be unpopular, and perhaps even to subject the undersigned to scorn. Nevertheless, this effort toward correcting, or at least minimizing, an injustice must be made.

Although the present brief favors the defendant, the undersigned previously participated (in the prior appeal in this case, No. 75-1371) in offering a brief which favored plaintiff. Indeed, the possibility that an aura of outrage inflamed by that offer, and by an article by one of the undersigned might have contributed to the unjust overcorrection pointed out in the accompanying brief, is a reason now for seeking a balance.

Let it be clearly understood that participants in the former offer of an amicus brief other than the undersigned, have absolutely no connection with the present submission.

REASONS WHY THE OFFERED BRIEF IS DESIRABLE

At the very least, the offered brief may help this Court to temper a judgment virtually putting out of business immediately (because no period of transition is allowed) a defendant whose motives were innocent and who has been unfairly treated by this Court. At the most, it may lead to much better justice for the defendant and to improved future procedure.

The offered brief is desirable partly because of the great difficulty courts seem to have in seeing and correcting an error, even an error so glaring (once noticed) as to remain a discredit to the court until corrected.

In addition, the defendant is now without counsel. It is highly unlikely that he will do an adequate job of presenting his case. Even if he had counsel, it is unlikely that the best possible efforts by a party's counsel would overcome the proverbial futility of petitions for rehearing, and it is possible that good advocacy would not permit the vigor of the brief here offered.

The offered brief is believed to be of a nature to be pertinent for consideration on all issues which might develop in the course of this appeal. It is for that reason and because of the emergency of the catastrophic injunction that the brief is filed without specific reference to a pending motion, if

there is one. It is hoped that this brief may be deemed a standing brief.

Even if it might be deemed ridiculous to hope that the offered brief could result in undoing the laches error by this Court, the same factors that show error therein should be considered, on every question on appeal, as to relieving defendant from injustice to whatever extent the status of the case permits. However, bearing in mind that courts should avoid not only evil but the appearance of evil, the only way to accomplish that fully in the present instance is to vacate the determination against laches which the accompanying brief shows to have been made without due process. Re-evaluation with due process could then follow, and it could be as free from prejudice as possible.

Respectfully submitted,

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NOTICE OF SERVICE - CONSENT NOT REQUESTED

It was deemed inappropriate to ask the parties for consent when a refusal by a huge plaintiff against a small defendant could be embarrassing. Copies of this motion and attached brief have been mailed, via first class mail, this 22nd day of April, 1977, to Nims, Howes, Collison & Isner, 60 East 42nd Street, New York, N. Y. 10017 and John H. Morrison, Esq., Kirkland & Ellis, 200 E. Randolph Drive, Chicago, Ill. 60601, counsel for plaintiff, and to Mr. Mark Gilbert, Ever-Ready International Ltd., 1218 W. Madison Street, Chicago, Ill. 60607, pro se for defendants.

Louis Robertson

BRIEF OF AMICI CURIAE

INTEREST OF THE AMICI CURIAE

The amici curiae offer this brief solely in the public interest, and especially in the interest of justice with due process of law. Although this brief is favorable to defendant, the amici participated previously in offering a brief favorable to plaintiff. One of the main points of the prior brief was that due process had been lacking in a sua sponte decision by the District Court. A main point of the present brief is that due process was lacking in a sua sponte decision by the Court of Appeals on another point, laches.

The brief is not offered on behalf of any client, nor does it affect any known client interest. It is submitted without giving any party or counsel for any party advance knowledge of it.

RELIEF URGED

The most immediate relief here urged is restoring this Court's stay of the injunction, the stay having been dissolved before a defendant, lacking counsel, could reply to the opposition; and before even a normal initial showing had been completed.

Also urged (next in the order of probable ease of acceptance) is working out a tempering of the present catastrophic injunction if the stay must be again dissolved.

In aid of both of these urgent needs, and for possible greater restoration of justice, this brief urges full recognition

of this Court's unfairness to defendant in denying laches sua sponte, before hearing arguments thereon, with no reason to assume all of the pertinent evidence was before it, and on the basis of two grounds, both erroneous.

TIMELINESS OF POINTS RAISED

On the assumption that one area of the appeal is the severity of the judgment, and its failure to allow any period for orderly transition, the points raised in this brief are timely for consideration in that area. However, the amici do not believe it is too late to make full correction of this Court's error in its sua sponte denial of laches. At least that error should now be recognized so as not to be further compounded.

SUA SPONTE DECISION DENYING LACHES LACKED DUE PROCESS

Just as the previously offered amicus brief emphasized a lack of due process in the District Court's sua sponte decision against validity, the amici here point to an even more severe lack of due process in this Court's sua sponte decision denying laches. That the trial had encompassed laches is not enough when this Court had no reason to think all evidence pertinent to laches was before it; nor when the District Court decision expressly avoided deciding the question of laches, having found for the defendant without it; nor when this Court gave no chance for arguing laches <u>before</u> its decision. Had either party sought a ruling on laches, this Court might well have refused (even if both parties had been heard) basing

refusal on the usual grounds that there should be a preliminary marshalling of the facts by the District Court. The lack of due process is more severe than that which the previous brief criticized because, though clearly based on error, there was no right of appeal.

This Court's final sentence on laches reads:

> "In any event, the issue of laches was not urged on this appeal and may be considered as having been waived." (Slip opinion p. 35, 188 USPQ 644).

The holding of waiver was utterly unfair, because there had been no reason for the defendant to treat laches on the appeal, when there had been no District Court decision denying laches and when there was no duty on the part of defendant to anticipate that all of the several holdings in its favor would be reversed. Instead of justifying this erroneous conclusion of waiver, the phrase "was not urged on this appeal" constitutes an unconscious and unrecognized admission that the point was being decided before it had been argued! The writers of this brief confess that they, too, failed to recognize this admission when the opinion was first read.

When the Court of Appeals makes an unargued sua sponte decision, it almost certainly lacks knowledge of the facts except (hopefully) those in the appendix or briefs. However, these of course had been selected for consideration by the Court of Appeals on the issues on appeal. Inasmuch as laches was not an issue on appeal, there was no reason to clutter the appendix with testimony and exhibits pertinent only to the

question of laches. As an example of an exhibit which either was not before the Court of Appeals when it made its unargued sua sponte decision on laches, or was overlooked by that Court, we show at this point a purported* "DX52(181)" which shows a Wall Street Journal advertisement in December 1968 of "Ever-Ready Radio-Lamp". Contrast this with the statement in this Court's decision paragraph on laches, which seems to have been this Court's other erroneous basis for its decision: "Prior to 1971, Ever-Ready did not market the electrical products involved in this case under its own name."

ARGUMENTS ON REHEARING DO NOT OVERCOME LACK OF DUE PROCESS

A party is entitled to have its arguments heard before the decision is made, not afterwards. For that reason alone, the lack of due process is not overcome by the fact that defendant submitted arguments against laches on its petition for rehearing. The proverbial futility of petitions for rehearing show the need for permitting arguments before the original decision. Furthermore, in this Court, there is not an adequate briefing schedule in connection with petitions for rehearing for arguments at this time to take the place of a chance for full briefing prior to the decision.**

*See next page. The exhibits were withdrawn from court custody before termination of the case. This one came to attention upon receiving it with a copy of a letter from defendant to plaintiff's counsel. An "Ever-Ready" lamp blister-pack card showing "© 1967" was received with it.

**Even if the failure to await a rebuttal brief may work well as to most motions, a petition for rehearing, once accepted, should be recognized as having more need for rebuttal. Those who decided wrong at first cannot be expected to recognize errors in the brief supporting their decision.

THE EVER-READY RADIO/LAMP IS MARKETED BY:

Ever-Ready inc. 1218 W. Madison Street Chicago, Ill. 60607 Phone (312) 226-2100

THE WALL STREET JOURNAL.
THURSDAY, DECEMBER 12, 1968

Sunday, December 1, 1968
Sunday, December 22, 1968 The SHOPPER

Hi-Intensity Type
LAMP with transistor **RADIO**
WONDERFUL PRESENT FOR THE STUDENT OR CHRISTMAS GIFT GIVING!

Only $22.95

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- Suitable For Office — Study Den — Bedroom Dormitory
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DISTINCTIVE LAMPS
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SHADES
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• REPAIRING • REWIRING
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HU 5-1237
TRINDL LAMP SHOP
"Please Accept Our Invitation To Come In And Browse"
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BROOKFIELD, ILL.

Kroch's & Brentano's
29 S. Wabash Ave., Chicago, Ill. 60603 • DEarborn 2-7500
BRANCH STORES
336 N. Michigan Ave. • 62 E. Randolph St. • 16 S. La Salle St.
1723 Sherman Ave., Evanston • North Mall, Old Orchard
1038 Lake Street, Oak Park • Oakbrook Center
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Ever-Ready Radio-Lamp . . . a hi-intensity lamp-radio and it's attractively designed and transformerless. With quality, function, and appearance well worth the price . . . . . (postage $1.00) Each $22.95

HOLIDAY STORE HOURS
LOOP STORES
(except La Salle Street)
Daily 9 A.M. to 6 P.M. • Saturday 9 A.M. to 6 P.M.

SUBURBAN STORES:
(except Evanston and Oak Park)
Daily 9:30 to 9:30 • Saturday 9:30 to 5:30
FREE GIFT WRAPPING UPON REQUEST

DX52 (181)

The inadequacy of arguments after the decision instead of before is further indicated in the present case by the fact that the Court made no correction in either of its above-mentioned erroneous grounds. Neither statement was specifically defended by plaintiff's answering brief on the petition for rehearing.

WEIGHING LACHES VERSUS CONFUSION
REQUIRES CAREFUL EVALUATION OF
THE TRUE DANGER OF CONFUSION

A main point in plaintiff's brief supporting this Court's already-made determination against laches was that permitting "defendants to continue their infringement would perpetuate the confusion with which the public has been confronted." The amici do not quarrel with the general proposition that confusion can override laches. Clearly, however, this is not universally controlling. Certainly it sometimes is held not to be completely controlling, e.g., in every instance in which a period of orderly transition is allowed before an injunction becomes fully effective. In each such instance, the likelihood of confusion must have been found or there would be no injunction. Nevertheless, as stated at p. 122 of the 1975 Supplement of Vandenburgh's Trademark Law and Procedure:

> "Recognizing the difficulty that a defendant may have in making an immediate change of its labeling, etc., it is not uncommon for a court to give the defendant a period of time within which to make the necessary changes." (Citing cases).

Nor is the rule that laches do not preclude an injunction an absolute rule even aside from a transition period. Pattishall & Hilliard list half a page of points "a court should consider

in deciding whether laches constitute a defense." (Trademarks, Trade Identity and Unfair Trade Practices, p. 4-103).

The question of whether defendants should be allowed a period for orderly transition (clearly a timely question here) requires a careful evaluation of the degree of the danger of confusion of purchasers in the marketplace, to be weighed together with all other pertinent factors.

In case this Court evaluates the degree of danger of confusion in the marketplace*, it should recognize at the outset that the percentages of "confusion" indicated by the survey reported at page 30 of this Court's slip opinion may have very little relationship to the percentage of confusion in the marketplace or under purchasing conditions. Without implying any impropriety in the survey questions, it is clear that they artificially forced those surveyed through three steps of thinking which a casual purchaser might not have taken: (1) consciously noticing "Ever-Ready", (2) giving some conscious significance to "Ever-Ready" as indicating origin, and (3) considering whether there were other products possibly of the same origin. On the last step, the wording of the questions (slip opinion, p. 29, 188 USPQ 641) implied that there was such other product. The amici know of no evidence denying that, with the fame of EVEREADY batteries, the survey results could well have been duplicated even as to any of the various other products of various other users of marks like Ever-Ready against whom plaintiff asserts no claim. See footnote, p. 9.

*A remand to a new judge for that purpose would ensure fairness and better overcome the appearance (to a layman not having knowledge of the Court's integrity) of possible evil.

It cannot possibly be determined from the surveys how many of those interviewed would, under the ordinary circumstances of making a purchase, have done even the first step of this thinking (which by the survey was artificially forced upon them). As to whether the fact that 55.2% when forced to do this thinking were confused is sufficient indication that there would be some likelihood of confusion even under ordinary purchase situations is a question on which the amici prefer to take no position.** The amici are not aware of any other evidence of likelihood of confusion in the ordinary circumstances of a purchase.

As to the evidence of actual confusion, the opinion of this Court does not indicate any confusion of purchasers in the ordinary purchase situation in any of the three instances of actual confusion. (This is not to say that they should be ignored). In two, the only confusion noted was long after the purchase, and the third was a plaintiff-contrived situation, where certainly the plaintiff's agent doing the purchasing was not confused, and where there was no evidence that the little drama would ever occur except by plaintiff contrivance.

It is noted that the former amici brief was equally critical of the District judge's total disregard of the evidence here mentioned. To determine the degree of danger of confusion in the marketplace, or even whether there is a legally cognizable likelihood, a more careful evaluation is needed than

*For certainty of fairness, the determination of confusion could also be vacated, for fresh evaluation, especially if this Court did not fully recognize the survey's effect in inducing unusual thinking.

either court has so far given. Not all likelihood of confusion is legally remediable. (Lifesavers, Inc. v. Curtiss Candy Company, CA-7, 1950, 85 USPQ 440). This Court is not believed to have considered whether a slight likelihood of confusion should be tolerated where there is no competition and where the mark has such inherent desirability as to be adopted innocently and independently in numerous fields.*

JUDGMENT IS EXCESSIVE

Even if the prior decision of this Court is to be in no respect modified, and even aside from the question of a period for orderly transition, the District Court judgment is excessive.

In its paragraph on laches, this Court expressly found that there was no evidence of confusion from the use of Ever-Ready in the trade in marketing products under other names. Nevertheless, this is enjoined by the injunction in the judgment. Furthermore, the judgment requires defendant to deliver up all of its printed materials bearing the name Ever-Ready. Although this is limited by the phrase "relating to the advertising, promotion or sale thereof," this does not appear

*If this Court can not consider the computer print-out defendant offered April 1, 1977 (described as showing 300 Ever-Ready uses, 30 in the electrical field), it can at least consult a standard reference work by judicial notice. Thomas Register, 1976 (pages 445 of Vol. 7 and pages 129 and 130 of Vol. 8) shows a fair number of users of Eveready or like sound, besides Union Carbide, some seemingly electrical. [Exclusion by the district court of the print-out as "too late", when offered on the day set for hearing, is questioned. The Court cut off defendant's attempt to argue his case, although the papers apparently included defendant's first request for a transition period.]

to be a significant limitation because the antecedent, found two paragraphs earlier, appears to include "any other electrical products."

The injunction against using Ever-Ready on "any other electrical products" may be broader than this Court intended, this Court having used the much narrower phrase "electrical products such as minibulbs and lamps." The amici are not aware of any evidence of confusion as to electrical products other than lamps and lamp bulbs.

The equities of defendant should be considered. (See "according to the principle of equity" in 15 USC 1116). Ever-Ready was first adopted in a service which is so remote as to be exempted from the injunction, and expansion was natural and never in competition with plaintiff. Few of the products used batteries, and none of the lamps or lamp bulbs were intended for battery use. Defendants had various reasons to assume that Union Carbide knew of their activities and did not object. The amici know of no evidence that defendants ever knew of the alleged confusion.

MODUS OPERANDI

To some extent this brief can merely be considered, where pertinent, at all stages of this appeal, as these stages are presented by the parties. It is unlikely, however, that this will be enough for certain justice.

This Court can initiate a more complete restoration of justice. But not, PLEASE, by a third sua sponte decision

without argument! A sua sponte order giving plaintiff a chance to show cause why a contemplated restorative action should not be taken would be appropriate.

There should be no great reluctance to take back from plaintiff its benefit from the pre-argument denial of laches, because plaintiff is not blameless in the retention of that court-error. Plaintiff opposed the motion for rehearing with a brief which certainly was not a model for frankness. If it did not actually deny the existence of the 1968 Wall Street Journal ad of an "Ever-Ready Radio-Lamp" (DX52, page 5, above), there certainly was plentiful inference that nothing so important existed. The order could also permit an explanation (which there may be) as to the statement that all of the specimen lamp bulb packages "in the record" bear copyright dates of 1970, in view of the 1967 package mentioned above, first footnote on page 4.

Perhaps it is time for the well-known duty of frankness in seeking patents to be applied to those who, in the courts, are seeking to impede a commercial antagonist; or at least a duty not to mislead.

CONCLUSION

The amici believe that the present drastic and immediately effective injunction is needlessly severe. This would be true even if the only equity on defendant's side was that until this Court's reversal of Judge Marshall, defendant's conduct seemed proper.

This severity tends toward being an intolerable perversion of justice when it stems from a sua sponte decision by this Court denying laches, a decision made without prior argument and without any assurance that it had all the facts pertinent to laches before it, and which was based on two clearly erroneous grounds.

Regardless of affecting this suit, judicial recognition that a party must be given a chance to present pertinent argument and facts before a sua sponte decision would be a tremendous aid to our jurisprudence.

Counsel practicing before this Court are well aware of its integrity and intention to be just; but also of its greatly overloaded docket which makes errors inevitable. A decision making an error reflects almost no discredit on the Court, no matter how glaring the error seems, once recognized. It is hoped the Court will not take umbrage at this or any other unusual effort to help it see the need to restore the fairness it always intends.

Charles W. Rummler
7 S. Dearborn St. - #1107
Chicago, Illinois 60603

Louis Robertson
P. O. Box 670
Arlington Heights
Illinois 60006

NOTE: This letter has been retyped for legibility.

Louis Robertson
Patent Attorney
May 6, 1978

1841 Nuthus Circle - Sun City Center, Fl 33570
TELEPHONE (813) 634-6106

Hon. Thomas E. Fairchild, Chief Judge
United States Court of Appeals for the Seventh Circuit
Chicago, Il 60604

Re: Amici Brief Standing in Union Carbide vs. Ever-Ready Inc. and Mark Gilbert 77-1378 2035

Dear Judge Fairchild:

I hope that it is proper to use this simple manner of calling to the Court's attention that the Rummler-Robertson Amici Curiae brief already accepted in this case requests on page 10 that it be considered "where pertinent, at all stages of this appeal, as these stages are presented by the parties."

The amici brief would seem to be pertinent especially to the Gilbert effort to have vacated the determination against laches by Union Carbide whic was reached without due process of law. The lack of due process was not denied in the Union Carbide reply to the amici brief. Factual error by the Court, a natural result of lack of arguments, was not denied by Union Carbide. Nor did Union Carbide deny that every ground stated by the Court for its determination was in error.

The amici brief is also pertinent as to questions Gilbert raises as to the excesses of the injunction, even if the determination against laches is allowed to stand in spite of having lacked due process.

If one observation not pertinent to the amici brief may be tolerated, I urge that if judges who participated in 1976 sit now, they will explain how their impartiality can be above suspicion when they were in 1976 guilty of th unjudiciousness represented by points A to F on page 17 of the Gilbert brief recently filed, as to the correctness of which I soo no doubt.

Respectfully yours,

S/Louis Robertson

CC John H. Morrison Esq. for plaintiff

Mark Gilbert for defendants

Committee For Equality of Citizens Before The Courts (Co-Equal)
3401 West Division Street • Chicago, Illinois 60651 • 312/252-1817

May 15, 1978

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Hon. Thomas E. Fairchild
Chief Judge
U.S. Court of Appeals For the Seventh Circuit
Dirksen Building
219 South Dearborn St.
Chicago, Illinois 60604

ORIGINAL

RE: 77-1378
77-2035
Union Carbide
vs.
Ever-Ready, Inc.
and Mark Gilbert

Dear Judge Fairchild:

The April 24, 1978 rulings of the U.S. Court of Appeals, 7th Circuit, denying initial en banc consideration of No.'s 77-1378 and 77-2035 and foreclosing the disqualification of the two judges who were members of the Appellate Panel which adjudicated No. 75-1371, may raise serious questions of due process, in our considered opinion as laymen concerned with the delivery of justice.

We believe that the questions surrounding the Opinion in No. 75-1371 and the subsequent actions of the two judges documented in the April 7, 1978 brief of defendant-appellant Mark Gilbert are such as to suggest that members of the panel in No. 75-1371 should not participate in or sit alone or as a majority of any panel on No. 77-1378 and No. 77-2035. In today's atmosphere, which is marked by continuous criticism of the system of justice, we believe it important that all courts avoid even the appearance of possible partiality and impropriety.

U.S.C.A. - 7th Circuit
Received in Clerk's Office
MAY 15 1978
THOMAS F. STRUBBE
CLERK

Accordingly, the Committee, by order of the Board of Directors this day, by means of this letter and the enclosed motion for leave to file an amicus curiae brief and the brief itself, is asking the Court of Appeals to vacate its April 24, 1978 rulings, so as to provide the defendant-appellant and the plaintiff-appellee as well with en banc consideration of the appeal in No. 77-1378 and No. 77-2035. We ask further that our motion and brief be considered en banc. This Committee requests that Union Carbide Corporation be granted a reasonable extension of time to include response to the Committee's amicus brief in its own Reply Brief.

We hope the Court of Appeals recognizes that the concern of laymen in this matter is not disrespectful or presumptuous but arises out of the participatory nature of democratic government, which we are all striving to protect and perfect.

Respectfully Submitted For The Committee,

Alvin Horwitz, Director

Leo Stepkin, Director

Maurice Yochim, Director

Copies To:

For Plaintiff-Appellee
John H. Morrison
Nims, Howes, Collison & Isner
For Defendants-Appellants
Mark Gilbert

Encl: Original-3 Copies/Motion/Amicus Brief

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

ORIGINAL

77-1378 & 2035

May 15, 1978...Four Copies

UNION CARBIDE CORPORATION, a corporation, Plaintiff-Appellee	)	Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.
v.	)	
EVER-READY INCORPORATED, a corporation, and MARK GILBERT, an individual, Defendants-Appellants	)	No. 71-C-3151 George N. Leighton, Judge

MOTION FOR LEAVE TO FILE BRIEF OF AMICUS CURIAE, INSTANTER

Submitted By
COMMITTEE FOR EQUALITY OF CITIZENS BEFORE THE COURTS (CO-EQUAL)
3401 WEST DIVISION STREET CHICAGO, ILLINOIS 60651
312/252-1817

EN BANC CONSIDERATION REQUESTED

The undersigned, directors of the Committee for Equality of Citizens Before the Courts, in the interests of all citizens, move for leave to file the accompanying Brief of Amicus Curiae.

STATEMENT OF INTEREST

There is no interest in this matter on the part of the committee other than that of public interest, particularly the public interest in justice and in due process and equal treatment under the law, for which purposes the Committee For Equality of Citizens Before The Courts (CO-EQUAL) was formed, it becoming apparent through the seeming injustices perpetrated in the Opinion of the Appellate Panel in No. 75-1371 and in the consequent trial on remand that there is no organization devoted to protecting due process in matters of civil litigation and no mechanism of redress save through an appellate procedure, which may, on occasions, prove defective.

REASONS WHY THE OFFERED BRIEF IS DESIRABLE

In substance, the offered brief, by moving this Court to vacate an order which does it no credit and to vote for en banc consideration of all motions in No. 77-1378 and No. 77-2035 as well as en banc adjudication of those appeals, gives this Court the opportunity to enhance public confidence in the rule of law as well as in the integrity of its own actions.

It is a matter of common observation that public confidence in the law, in the courts as overseers of the law, in officers of the courts as advocates of justice is now at a low ebb, as evidenced by the Judicial Tenure Bill now under consideration by the Congress and almost daily publications of news and opinions focused upon the deficiencies and inadequacies of the system of justice.

By accepting this brief and acting upon its recommendations, this Court can do much to assure the citizenry that the avenues to justice are essentially still open.

Respectfully submitted,

Committee For Equality of Citizens Before The Courts (Co-Equal)
3401 West Division Street, Chicago, Illinois 60651
Telephone: 252-1817

By Order of the Board of Directors:

Alvin Horwitz, Director

Leo Stepkin, Director

Maurice Yochim, Director

U.S.C.A. - 7th Circuit
Received in Clerk's Office
MAY 15 1978
THOMAS F. STRUBLE
CLERK

AFFIDAVIT OF SERVICE--CONSENT NOT REQUESTED

Because this motion and the attached brief deal with the judicial process, it was deemed inappropriate to ask the parties for consent.

Copies of this motion and attached brief have been mailed, via first class mail, this 15th day of May, 1978, to Nims, Howes, Collison & Isner, 60 East 42nd Street, New York, N.Y. 10010 and John H. Morrison, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Ill. 60601 for plaintiff-appellee and to Mark Gilbert, 1218 West Madison Street, Chicago, Ill. 60607, pro se for defendants-appellants.

The undersigned directors of the Committee For Equality of Citizens Before The Courts have read the motion and the brief and the statement of service and declare them to be true to their personal knowledge, information and belief.

Alvin Horwitz, Director

Leo Stepkin, Director

Maurice Yochim, Director

Subscribed and sworn to before me
this 15th day of May, 1978.

Notary Public

BRIFF OF AMICUS CURIAE

INTEREST OF THE AMICUS CURIAE

The amicus curiae offers this brief solely in the public interest and especially in the interest of due process and of equal treatment under the law.

QUESTIONABLE ACTIONS OF THE APPELLATE PANEL IN NO. 75-1371

The Appellate Panel which considered and adjudicated the appeal of plaintiff, Union Carbide Corporation in No. 75-1371 engaged in a number of questionable actions to the benefit of the appellant and to the detriment of the appellee in that appeal.

The Appellate Panel decided the question of laches when that question had been reserved by the trial court, was not involved in the appeal and had not been discussed or treated in the briefs of appellant or appellee.

The Appellate Panel treated defendants' silence as conceding away the question of laches and as waiving their affirmative defense of laches.

The Appellate Panel overlooked the fact that the appellate record had not been selected for laches.

The Appellate Panel failed to notify the parties that it was going to take up the unappealed issue of laches so that arguments could be properly briefed and inadequacies of the appellate record pointed out.

The Appellate Panel based its determination against laches on its own most amazing misstatement of facts to the effect that the defendants' acts in issue had not begun before the year in which suit was brought.

The Appellate Panel on petition for reconsideration issued its denial without giving defendants-appellees a chance to reply to plaintiff-appellant's Answer to Part II of the Petition for Rehearing.

In all of the above respects, the Appellate Panel violated due process.

The Appellate Panel in No. 75-1371 improperly substituted itself over the trial court as trier of fact, not only striking down without trial the issue of laches in the face of the record, but by validating questionable evidence of confusion held by the trial court to have been "manufactured".

The judicial objectivity of the Appellate Panel in its 1976 Opinion as amended having been questioned, its objectivity has not been vindicated by post-Opinion actions of the two judges who were members of that panel and who singly or together have made all significant decisions in the intervening motions and papers, including the April 24, 1978 denial of the alternative motion to disqualify themselves, all to the benefit of Union Carbide Corporation.

In addition to the April 24 denial of disqualification, the post-Opinion actions of Judges Wilbur F. Pell, Jr. and Robert A. Sprecher include the following:

1. On April 14, 1977, Judges Pell & Sprecher dissolved the April 4, 1977 stay of injunction during pendency of appeal;

2. On May 25, 1977, Judges Pell and Sprecher denied Defendants' Motion to Re-Consider and Restore Due Process, that denial made "en banc" with six of the eight active judges abstaining;

3. On May 25, 1977, Judges Pell and Sprecher denied the Rummler-Robertson Amici Curiae Brief, that denial ordered "en banc" with six of the eight active judges abstaining.

4. On September 15, 1977, Judge Sprecher overruled Judge Commings' order that exhibits documenting defendants' use of Ever-Ready on electrical products in a 1956 catalog would be permitted in the Record.

5. On September 26, 1977, Judge Sprecher dismissed the appeal of the corporate defendant unless an attorney filed an appearance for the corporation.

6. On October 20, 1977, Judges Pell and Sprecher denied defendants' emergency motion to stay the remand court's Order to comply with the injunction during pendency of appeal.

CONCLUSION

Because the judicial objectivity of the members of the 1975 Appellate Panel in No. 75-1371 has been called into question by what appears to be an arbitrary pattern of behavior directed against the defendants and in support of the plaintiff in that action and in the current appeal, the amicus prays that:

1) This Court's Order of April 24, 1978 denying initial "en banc" consideration of the present appeals and the Pell/Sprecher denial of defendants-appellants' alternative motion that members of the Appellate Panel in 75-1371 disqualify themselves from any possible future panel assignment to adjudicated appeals No. 77-1378 and No. 77-2035 be vacated instanter; and that

2) All motions in and adjudication of No. 77-1378 and No. 77-2035 be considered en banc; and

3) In the alternative, that Judges Wilbur F. Pell, Jr. and Robert A. Sprecher be disqualified from panel assignment to consider motions in and to adjudicate defendants' appeals No. 77-1378 and No. 77-2035.

If this Court should consider the form or timing of this brief technically imperfect under its regular rules, we further pray that the conscience of this Court and its concern for justice will prevail over its procedural bookkeeping.

U.S.C.A. - 7th Circuit
Received in Clerk's Office
MAY 15 1978
THOMAS F. STRUBBE
CLERK

Respectfully submitted,

Committee For Equality of Citizens Before The Courts (Co-Equal)
3401 W. Division Street, Chicago, Ill. 60651 312/252-1817

By Order of the Board of Directors:

Alvin Horwitz, Director

Leo Stepkin, Director

Maurice Yochim, Director

Chicago Daily
Law Bulletin
"NEWS NOT PUBLISHED ELSEWHERE"
Division pages Tuesday, April 5, 1977 © 1977 Law Bulletin Publishing Company 25

Another look at the EVEREADY case

Atty. Louis Robertson says the EVEREADY trademark decision has been overcorrected in its reversal by the Court of Appeals — see page three, column six.

On Trademark Law

DAILY LAW BULLETIN—3
Tuesday, April 5, 1977

EVEREADY error overcorrected; sad plight of 'Mr. Ever-Ready'

By LOUIS ROBERTSON

Having severely critized the U.S. District Court decision which held EVEREADY invalid, possibly thereby easing its reversal on appeal, it now seems appropriate to note that the error has been overcorrected. The previous article was published in this paper Aug. 6, 1975.

The small-business defendant who, since 1947 might well have been known by his retailers as "Mr. Ever-Ready," is enjoined from some practices which never caused confusion, and is allowed no period for orderly transition. As if a willful infringer, he is also required to deliver up for impoundment, even during appeal, all printed sales materials bearing his corporate name. Perhaps Judge Prentice Marshall's sua sponte attack on the validity of EVEREADY has somehow left the defendant seeming to have attacked EVEREADY, as a willful infringer would have done. This would make it hard to remember his clear equities.

He never used his "Ever-Ready" on batteries or on any battery-operated product. His now-determined encroachment resulted from a natural expansion (of a business still to be permitted); and was so borderline that a highly intelligent judge could hold there was no confusion. And if the Court of Appeals had not deprived him of due process by sua sponte denying his laches defense when it had not been reached by the district court or argued, the combination of mild laches plus weakness of EVEREADY (especially as to lamp bulbs) might well have resulted in his freedom to continue Ever-Ready on lamps, with some safeguard.

This is not to say that there is any conscious vindictiveness. In fact, he is not even assessed the "automatic" district court costs of a loser. (He was assessed costs in the Court of Appeals, where he was in the position of having to defend Judge Marshall's spontaneity.)

Part of the trouble may be inept defense in the last stages. A pro se petition did not, as filed, adequately indicate what changes should be made in the judgment if some of the judgment is to stand. Judge Leighton, on April 1, denied any change or stay, and sustained Union Carbide's objection (as too late) to entry of a computer search print out offered as showing 300 users of Ever Ready, 80 of electrical nature.

Another cause of overcorrection may be a misunderstanding by the district court of the Court of Appeals' intentions. On rehearing, the latter court left "to the district court's discretion whether . . . to grant the remedy of delivering up . . . ." The district court may have thought this was a hint that such a remedy should probably be provided. However, the Court of Appeals almost certainly did not intend such a remedy to extend to printed matter used in the trade, because its main opinion, p. 35 (188 USPQ 644) had said that with product names, other than "Ever-Ready," "there is no evidence that [in-the-trade use of Ever-Ready] resulted in confusion."

Defendant's motion also seeks (ineptly) a reopening of the misuse defense because of inadequate representation at a three-hour "trial" on the misuse defense. If, as the motion alleges, his counsel failed to present to the court his desire to change counsel, failed to heed his request to call as witnesses certain Union Carbide participants in the alleged misuse, and made no argument against a motion to strike this defense, then it would seem as appropriate safeguard (of justice for a beset small businessman) to give him time to try to find new counsel willing to take on this very difficult subject, or at least to explore its merits.

Lest merit be here implied, this writer makes clear that he does not know whether or not a triable allegation of a misuse defense could be based on the facts as "Mr. Ever-Ready" sees those facts. He just does not see how the district court could possibly know that it can't be done.

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Volume 123 (Est. 1854) No. 118 Division pages Tuesday, June 7, 1977

'Over-protection' stands

Union Carbide does not deny lack of due process

By LOUIS ROBERTSON

In spite of the fact that a Union Carbide response did not deny the assertion of amici curiae that the 1976 denial of Union Carbide laches by the U.S. Court of Appeals for the 7th Circuit had lacked due process and was based on clear factual error, that court has now refused to relieve the defendants from an injunction which allows no period for orderly transition and prohibits more than was found to be confusing.

In previous decisions, the court had first granted a stay of the injunction on an ex parte emergency motion, and then dissolved the stay after Union Carbide filed its objection. The defendant, who had not been afforded time to respond to the objection, moved for reconsideration and requested en banc consideration. The decision, with no authorship indicated but listing all eight defendant's "Ever-Ready" lamps, the court had said that the acts involved in the litigation did not begin until the year of the litigation, 1971 (531 F2d 389).

The Union Carbide response also asserted untimeliness of raising the old laches issue; but did not answer the point in the amici brief that the facts misstated before were pertinent currently on the question of the severity of the injunction.

Furthermore, the single authority on which Union Carbide relied for untimeliness was not one in which the original decision had been rendered with clear lack of due process and the same court in the same case had a second chance to render justice. (If it

Continued on page three

THE WEATHER

Tonight, partly cloudy, low in the low or middle 50's. Wednesday, partly sunny, high in the mid 70's.

Union Carbide does not deny lack of due process

Continued from page one

preliminarily decided against the appealing defendant, the appeal will presumably involve the correctness of the district court's dismissal of the anti-trust defense.

Apparently one contention of the defendants is that the "Eveready" versus "Ever-ready" controversy was in pursuance of an illegally restrictive lamp-bulb marketing agreement between Union Carbide and General Electric. Inasmuch as the "trial" on this issue lasted only a few hours, the record may give Union Carbide little to fear. This would be especially true so long as defendants continue to struggle without counsel—although that shortness of trial and other omissions raise the question of whether defendants were adequately represented even when they had counsel.

Perhaps there are times when the adversary system simply cannot cope, especially as long as courts make sua sponte decisions without calling for argument on the points they introduce, and refuse to do anything about clear error which seems to have been resulting.

Chicago Daily Law Bulletin

"NEWS NOT PUBLISHED ELSEWHERE"

Volume 123 (Est. 1854) No. 146 Thursday, July 28, 1977

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25 cent

Turncoat confesses: Surveys of trademarks can be illusions

Trademark survey illusions

By LOUIS ROBERTSON

This writer has now had the experience of viewing the same trademark survey summaries with two different mental attitudes, and finding that the attitudes led to opposite interpretations of the survey. Such surveys, it would appear, can be as illusionary as the optical illusion which can look like the top side of a stairway or the underside, depending upon some mystery within the brain.

The survey in question is that reported by the District Court at 185 USPQ 472, and by the Court of Appeals at 188 USPQ 640, the two courts reaching opposite conclusions on whether there surveys show trademark confusion. The survey was offered by Union Carbide for showing confusion between "Ever-Ready" on lamps and lamp bulbs in the field of plug-in lamps and EVEREADY in the field of batteries and the battery lamps.

When initially viewing the survey, this writer's sympathies were with Union Carbide as a result of the shock at seeing that Judge Prentice H. Marshall had held EVEREADY to be invalid. This writer, in an article published in this paper Aug. 6, 1975, criticized that decision, and participated in a brief amicus curiae offered to the Court of Appeals against it. Although the brief was directed mainly against (1) lack of due process in a sua sponte decision against validity and (2) denying any "offensive" effect of Lanham Act incontestability, a footnote suggested error in treating the survey evidence as of no weight.

More recently, knowledge that Union Carbide had obtained an injunction which allowed no period for orderly transition and which enjoined acts not found to be confusing, led to writing articles sympathetic to "Mr. Ever-Ready" published in this paper April 5 and June 6, 1977. Efforts to persuade Union Carbide to be more reasonable having failed, two of the former amicae (this writer and Charles W. Rummler) joined in a second amicus brief, this time in support of an appeal by defendants.

This brief was mainly critical of the Appellate Court's sua sponte decision denying laches without first hearing arguments, and pointed out that whether or not this deprivation of due process could still be vacated, the facts could be considered in evaluating the injunction now on appeal. The brief also pointed out that determining the extent to which the public interest against continuing confusion overrides laches requires a careful evaluation of the degree of danger of confusion in the marketplace.

Discussing this need for evaluation in the marketplace led to this writer's realization that with this main requirement in mind, perhaps Judge Marshall was correct after all in giving the survey little or no common source to be self-weight. The survey questions necessarily required of each person surveyed three mental steps, with no known evidence that even the first of those steps would have been normally ex-

Continued on page three

Continued from page one

perienced by the casual purchaser in the marketplace.

The three mental steps are: (1) consciously taking note of the trademark, (2) consciously giving it origin-significance, and (3) wondering whether other products sold under like name may be of the same source, with the question possibly suggesting an affirmative answer. In buying batteries, where more than one brand is usually on display, steps (1) and (2) might be common in the course of normal purchasing. But do bulb-dealers carry tow lines?

In short, the questions forced the interviewed person to consider whether he could name some other product sold under the same of EVEREADY batteries, of course a certain percentage of those interviewed came up with a reference to batteries. In the survey on lamp bulbs, the percentage was 60.6 per cent, while in the survey on lamps it was only 55.2 percent. A possibility exists, apparently unexplored, that this lower figure is at or close to an irreducible minimum such as would be the result of any survey using the same thought-inducing questions, even as to products too remote from batteries for any thought of a common source to be self-suggesting.

Having in mind that the burden of showing a likelihood of confusion is on the plaintiff, and usually must be with reference to ordinary purchasers, some interesting questions are here presented to readers.

Does a survey have enough significance with respect to the ordinary purchaser to be cognizable evidence, if it forces the person surveyed to progress through mental steps which the ordinary purchaser might not take?

If it can ever be cognizable, can it be when the plaintiff's mark is so famous that, regardless of the nature of defendant's products, the survey questions will inevitably call the famed product to the minds of a large percentage of people?

It is easy to reply that when a trademark is that famous, no defendant manufacturer should get a "free ride" on its fame even if confusion might be absent. But should fame preclude the nonconfusing use of a term such as "Ever-Ready" for its inherent attractiveness? And if there are 50 users of marks of this sound, should one of them, a long time user, be discriminatively excluded?

The final question of the survey illustrates another weakness of surveys. Bear in mind that this question was asked with "Ever-Ready" fixed in attention. The question was: "Please name any other products put out by the same concern which you think puts out the (product) shown here." The recorded answers would naturally show no difference between a firmly voiced mention of batteries and a mention of batteries in an inquiring voice inherently expressing doubt as to its really being the same concern. Nor would the survey necessarily show if, between this question and its answer, some encouragement was given by the interviewer to name something.

If future events should turn this writer's sympathies back to Union Carbide, it will be interesting to see whether, like the stairway illusion, the survey will seem "right side up" after all.

In any event, it appears that if anyone sets out to study past cases to learn what causes of possible injustice in our civil judicial system need correcting, this "Ever-Ready" case might be a fruitful subject of study. Whether the case itself could be corrected might be the subject of another article.

[Note: Mr. Robertson, who has been a contributor of special articles to the Law Bulletin on the subject of patent law over a period of years, and who has been with the firm of Dorbo, Robertson & Vandenbergh in Arlington Heights, has advised the Bulletin that he will soon become semi-retired and will have a new permanent address by Aug. 6 at 1411 Nautilus Circle, Sun City, FL. 33570.]

OWN OFFICE WORLD NEWS / MARCH 1, 1978

Circle no. 183 OWN 3/1/78 Circle no. 190

Gilbert vs. Union Carbide: A Fight for "Ever-Ready"

CHICAGO—Mark Gilbert, distributor of desk lamps and related products at 1218 W. Madison St. here, has begun his seventh year of legal battles with Union Carbide Corp., manufacturer of "Eveready" batteries, in an attempt to win back the right to function under his company's 33-year old trade name, Ever-Ready, Inc.

Union Carbide first filed suit against Gilbert in December of 1971, claiming that Gilbert's use of "Ever-Ready" was an infringement on Carbide's own trade name.

Gilbert disagreed with this, noting that in 1950, Union Carbide had picked his company to distribute its Eveready battery and flashlight line; no objection to his use of "Ever-Ready" had been made at that time, or immediately after the distribution arrangement was terminated in 1952.

Gilbert lost his battle in 1971, however, when an Appellate Court, despite the absence of any ruling by the trial court, declared that Gilbert had begun using his "Ever-Ready" name on product in 1971, prompting Union Carbide's attempt to stop the use of the name.

Gilbert denied this notion as "factual error, contrary to the trial record," and a "violation of due process." His motion for reconsideration was denied without explanation.

Gilbert finally won support at the trial court level in 1975, where the judge agreed that no unfair competition or infringement of name was involved, but this ruling was reversed in Carbide's favor in 1976 by a Court of Appeals.

Gilbert has been enjoined from selling his $200,000 inventory of "Ever-Ready" lamps by a court order. He is still trying to find support for his cause, seeking help in the past year from civil rights and government agencies, but to no avail.

Gilbert, determined to fight for his name, believes that "disputants in civil actions do not receive the Constitutional protections afforded the accused in criminal cases." He feels that "If I keep plugging away, someone may eventually do something about it."

New Southeastern Showroom Opened By Lehigh-Leopold

ATLANTA—Lehigh-Leopold, a division of Litton Industries, has opened its first Southeast showroom and sales office near here in Stone Mountain, GA, as part of a continuing expansion of the national marketing of this furniture line.

With the addition of this center, Lehigh-Leopold now has five showrooms across the country. The others are in New York, Chicago, Los Angeles and Burlington, IA, site of Litton's headquarters.

Southeast showroom manager Alice Stephens talks with dealer.

The Lehigh-Leopold line includes both traditional and modern furniture, including modular office systems.

Japanese Failure Misses Teal U.S.

(Continued from page 1)

According to Taguchi, T hand-held and desk-top c lators are now, and have for s time, been manufacturerec Chubu Electronics Ltd., w was sold to, and is now a sub ary of Sanshin Electronics Ltd., a major Japanese comp with annual sales of over million.

Although Teal Ltd. had so stock in Teal Industries in December, the former p firm had continued to act buying agent for the Amer concern. As a result, Teal In tries lost its immediate sour supply when the Japanese " dleman" went bankrupt.

Teal's inventory was very during the period immedi following the bankruptcy nouncement, "but the fa never ceased operations," Taguchi. At OWN's press Teal Industries had still found an alternate buying a in Japan, but Taguchi told (that the supply of Teal c lators would continue uni rupted and arrangements being made with another porter to act as agent.

Confusion surrounded actual reasons for Teal bankruptcy. A *Wall Street Jo* article incorrectly cited a s drop in exports of Teal's desk electronic calculators cause the rising value of the against the U.S. dollar.

Teal Industries sour though, cited a large los launching new computer ucts, and the *WSJ* retracte original statement, citing same reason for the bankru

Ed Gries, Teal Indus national sales manager fc office products division OWN he was still receiving ments from Japan two or times a month, and that product supply should retu normal fairly soon.

EXHIBIT "E"

Supreme Court, U. S.
FILED
FEB 5 1980
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1979.

No. 79-1057

EVER-READY INCORPORATED AND MARK GILBERT,
Petitioners,

vs.

UNION CARBIDE CORPORATION,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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QUESTION PRESENTED

Whether the Court of Appeals was correct in refusing to permit petitioners to relitigate their laches defense, where that defense had been rejected on the particular facts of this case by the Court of Appeals in a prior appeal.

STATEMENT OF THE CASE

Although the petitioners in this case ostensibly seek review of a June 13, 1979 Order, in fact their argument addresses exclusively the propriety of a 1976 decision which was itself the subject of an unsuccessful petition for certiorari.

Both the 1976 and the 1979 decisions arose from an action in which Union Carbide Corporation sought to enjoin infringement of its trademark EVEREADY. Petitioners contested the validity of the trademark, denied infringement, and asserted the affirmative defenses of laches and misuse of the trademark in violation of the antitrust laws. After a trial at which the antitrust misuse defense was severed, the District Court held that Union Carbide's trademark was invalid and had not been infringed. 392 F. Supp. 280.

On appeal, the Seventh Circuit reversed. It held that the trademark EVEREADY was indeed valid and that petitioners' actions did constitute infringement. The Court also held that the defense of laches was unavailable to petitioners. Gilbert and Ever-Ready, Inc. petitioned for rehearing on several grounds, including that the Court of Appeals "ignored crucial evidence in support of defendants' laches defense." The Court directed Union Carbide to answer the laches argument, and on consideration of the petition and answer the Court denied rehearing on March 11, 1976. 531 F. 2d 366.

Before the case was remanded for trial of the antitrust misuse defense, Gilbert and Ever-Ready, Inc. petitioned for certiorari. The petition presented two questions, one concerning the validity of the trademark and the other concerning its infringement. Petitioners could have asserted also that the Court erred in rejecting their laches defense, but they chose not to do so.* The petition was denied on October 4, 1976. 429 U. S. 830.

The case was then returned to the District Court, where a trial was held on the antitrust misuse defense. The Court dismissed the defense for failure of proof and, after several hearings, entered an order enjoining infringement of Union Carbide's

* As he does concerning each of his attorneys' strategic decisions that proved unsuccessful, Gilbert contends that the exclusion of the laches issue from his earlier petition was contrary to his instructions to counsel. Gilbert has never sued his former attorneys for their alleged disobedience, although he has sued one of Union Carbide's attorneys, claiming that the 1976 appellate victory for Union Carbide was obtained by blackmailing Circuit Judges Pell and Sprecher and the late Justice Tom C. Clark.

trademark EVEREADY on March 3, 1977. (App. 27) Thereafter, on October 13, 1977, petitioners were adjudged in contempt of court for failure to comply with the injunction.

On appeal, petitioners challenged not only the rulings rendered below but also the Court of Appeals' 1976 decision. The Court of Appeals rejected the attack on its prior decision, affirmed the District Court's dismissal of the antitrust misuse defense, and remanded with directions to fashion a more finely tuned injunction. (App. 24) Petitioners' request for rehearing was denied on August 9, 1979 (App. 1), and this petition followed.

Although the present petition includes a question (Number 3) which appears to relate to the propriety of the Court of Appeals' directions on remand, the entire argument concerns the Court of Appeals' 1976 rejection of petitioners' laches defense. The underlying facts relevant to the laches issue are readily summarized. The trademark infringement action was commenced on December 30, 1971, the same year Union Carbide learned of petitioners' use of EVER-READY on electrical products such as miniature lamp bulbs and lamps. Although petitioners had used EVER-READY as a corporate name for many years, they did not begin the infringing use which prompted the Complaint in this case until 1969—just two years prior to Union Carbide's discovery of the infringement and filing suit. The Court of Appeals held that "the time lapse is insufficient to establish laches on the facts of this case." (App. 66.)

REASONS FOR DENYING THE WRIT

The sole issue argued in the petition is whether the Court of Appeals erred in 1979 in declining to overturn its 1976 ruling that the defense of laches was unavailable to these particular petitioners on the particular facts of this case. Such an issue is peculiarly unworthy of review by certiorari, for it involves no important question of law, fact, or judicial administration.

Beyond the fact that the question presented has no public significance, the writ should be denied because the question

undoubtedly was answered correctly by the Court of Appeals. First, the doctrine of law of the case counseled against the Court of Appeals—and this Court—reexamining matters that were disposed of in the prior appeal. Second, there was no reason to depart from the doctrine of law of the case, for the previous decision on laches was correct in every respect.

Petitioners' attempt to relitigate their prior appeal is squarely contrary to the doctrine of law of the case. As the Court of Appeals recently stated in another trademark case:

> "When a court states a rule of law which is to be applied in the case before it, the court establishes the 'law of the case' that will normally be applied to the same issues in subsequent proceedings in that case. 'The rule of law of the case is a rule of practice, based upon sound policy that when an issue is once litigated and decided, that should be the end of the matter.' *United States* v. *United States Smelting, Refining & Mining Co.*, 339 U. S. 186, 198 (1950)." *James Burrough Ltd.* v. *Sign of the Beefeater, Inc.*, 572 F. 2d 574, 577 (7th Cir. 1978).

Under this doctrine, a court should not reconsider a previously determined issue unless correction of manifest error is necessary to cure a grave injustice. *See generally* 1B Moore's Fed. Prac. ¶ 0.404 *et seq.* Here, however, there has been no error.

Petitioners' major complaint seems to be that the Court of Appeals decided the laches issue at all. While the Court of Appeals certainly could have withheld decision on that issue, just as clearly the Court acted within its power by disposing of the issue when it did. The trial judge received evidence on laches, and the parties' pre- and post-trial briefs discussed the laches issue in detail. The issue was ripe for disposition. And, given the facts of this case, as a matter of law the only proper disposition was to reject the laches defense.

The first critical fact is that the suit was for injunctive relief only; Union Carbide never sought monetary relief. While delay in bringing suit may deprive a trademark owner of its right to damages, it will not ordinarily affect its right to an injunction

against further infringement. *McLean* v. *Fleming*, 96 U. S. 245, 258 (1877); *Menendez* v. *Holt*, 128 U. S. 514, 523 (1888). This rule protects the rights of the public as well as of the trademark owner. In *A. E. Staley Manufacturing Co.* v. *Staley Milling Co.*, 253 F. 2d 269, 279 (7th Cir.), *cert. denied*, 357 U. S. 926 (1958), the court observed that:

> ". . . a public interest exists that should be protected—a right of the public not to be confronted on all sides with confusion or the likelihood thereof."

Thus, because "mere passage of time cannot constitute laches" in such a case, *Helene Curtis Industries* v. *Church & Dwight Co.*, 560 F. 2d 1325, 1334 (7th Cir. 1977) (en banc), *quoting Friend* v. *H. A. Friend & Co.*, 416 F. 2d 526, 533 (9th Cir. 1969), petitioners' laches defense would have been unavailable as a matter of law even if Union Carbide had inexcusably delayed in bringing suit.

Union Carbide, moreover, did not inexcusably delay. To the contrary, Union Carbide commenced this litigation the same year it actually learned of petitioners' infringement and within two years of when the infringement began. As the Court of Appeals held, "the time lapse is insufficient to establish laches on the facts of this case." (App. 66.)

Finally, we note but are unable to comprehend petitioners' Point IV, and we have but one comment concerning Point III. Contrary to the suggestion in Point III, the District Court's injunction was not affirmed as modified by the Seventh Circuit. Rather, the Court of Appeals remanded with directions to narrow the scope of the injunction so as to cover only those uses of the term EVER-READY which are likely to cause confusion with respondent's trademark EVEREADY. The District Court has yet to make the necessary findings and amend the existing injunction. Consequently, petitioners' argument in Point III is premature.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

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Dated: February 6, 1980.

FILED
JAN 10 1980

CORRECTED COPY

79-1057

IN THE

Supreme Court of the United States

No. A-335

OCTOBER, 1979 TERM

EVER-READY INCORPORATED AND MARK GILBERT,
Petitioners,

vs.

UNION CARBIDE CORPORATION,
Respondent.

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE OF LOUIS ROBERTSON—PRO BONO PUBLICO with proffered brief attached

(In Support of Petition)

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IN THE
SUPREME COURT OF THE UNITED STATES

Ever-Ready Incorporated and
Mark Gilbert
Petitioners

v. No. A-335

Union Carbide Corporation
Respondent

(CA-7 No.'s 77-1378, 77-2035)

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE OF LOUIS ROBERTSON - PRO BONO PUBLICO

Louis Robertson, a member of the bar of this court, acting pro se but on behalf of the public, moves this Court to grant leave for the filing of the attached BRIEF AMICUS CURIAE, in support of the petition of Mark Gilbert.

Statement Supporting Motion

This motion is made necessary by the refusal of Union Carbide to give consent for the filing of an amicus curiae brief by the undersigned.

Statement as to Interest

The interest of the undersigned in this case is not a mundane interest. It is the interest of a citizen and lawyer in justice, in proper court standards and conduct, and in keeping the U.S.

judicial system above suspicion. Having long practiced in the 7th circuit, with a high regard for its Court of Appeals, any instance in which that Court fails to merit that regard is personally painful.

This amicus has one unique interest: to help right a wrong toward which he may have contributed. In 1975 he participated with several other lawyers in a pro bono publico offering of a brief in support of Union Carbide's appeal from the District Court decision holding EVEREADY to be invalid as a trademark for batteries. The necessary copies were deposited, but leave to file was then denied. This amicus also authored an article published by the Chicago Daily Law Bull. (Aug. 6,1975) attacking the District Court decision. That article could hardly have escaped the attention of the Court of Appeals judges.

Indeed, the urging of that article that the Court of Appeals "lay to rest its broad language in Morrell" was followed by the Court,* even though the brief of Union Carbide was less bold in its treatment of Morrell. (John Morrell & Co. v. Reliable Packing Co. 295 F2d 167).

This amicus believes that errors of

*Part I B of the 1976 decision 531 F2d 366

the Court of Appeals in 1976 favorable to Union Carbide resulted in part from over-reaction to the preposterousness of the District Court decision it reversed. While this amicus cannot be sure that his 1975 article had any influence, there is at least a possibility that it was a spark that ignited the judicial attitude here called "over-reaction".

The briefs offered on opposite sides of this case by the undersigned are consistent in opposing lack of due process in deciding sua sponte a point not properly before the respective courts and on which the parties had not been given a chance to argue. Also, both attacked parts of a decision deemed by this amicus to be shockingly unjust.

This amicus speaks for no client, knows of no client interest, can have no fee. When he learned, near the end of 1976, that Union Carbide had obtained an injunction he deemed excessive, and realized it was based on a decision against laches rendered without due process, he felt that he must switch his amicus efforts to "even the balance".

Need for this Amicus Curiae Brief

The chief need for this brief is to

aid the Court to see the widespread benefits for the judicial system that can be achieved by Supreme Court action in this case, and to see that the petitioner who will be aided by that publicly-needed action deserves that help.

The petitioner is not a trademark pirate, as the accompanying brief makes clear. He is an honest owner of a small business.

One benefit to the judicial system would be in raising the standard of judicial integrity, especially by making clear that petitions for reconsideration must be judiciously considered; and that "without merit" is likely not to be a sufficient reason for denial.

More specific benefits would lie in disapproval of various aspects of the handling of this case by the Court of Appeals, including:

1. Deciding an unappealed point sua sponte without notice to the parties affording them a chance to argue the point before its decision.

2. Making up its own statement of facts on the basis of which it decides a point not argued, with no submission of that statement to the parties or other safeguard.

3. Deciding on appeal an unappealed, fact-laden question which the lower court had reserved, namely, laches.

4. After these three errors, denying requested modification without giving the petitioner a chance to answer an opposing brief, and without giving its reasons for denial, or correcting clear factual error.

5. When the question of lack of due process was raised, per above, and was supported by amici curiae, failing to vacate the improper decision; and failing to explain why.

6. Failing, without explanation, to rule on appeal from the injunction that the defendant should have been given a period for selling his stock, especially when (a) defendant's good faith had not been questioned and his usage had been upheld by the District Court, (b) there was no evidence of significant confusion in the marketplace, and (c) an ex-official of the plaintiff had admitted that purchasors of defendant's products do not rely on trademarks.

Respectfully submitted.

Louis Robertson

IN THE
SUPREME COURT OF THE UNITED STATES

Ever-Ready Incorporated and
Mark Gilbert
Petitioners

vs.

Union Carbide Corporation
Respondent

Bo. A-335

BRIEF AMICUS CURIAE OF LOUIS ROBERTSON
PRO BONO PUBLICO

The sections of the accompanying motion which are entitled "Statement as to Interest" and "Need for this Amicus Curiae Brief" are incorporated herein by reference.

MAIN FACTS PERTINENT TO THIS BRIEF
(Including pertinent case history)

Ever-ready is an inherently desirable trademark used by many besides Union Carbide, in some instances on electrical products.*

*Wide usage can be seen on judicial notice basis from standard reference works such as Thomas Register, assuming search report offered by Gilbert to show 300 users of Ever-ready in various forms is not in evidence.

Gilbert's initial use of "Ever-Ready" has never been challenged. His good faith when he expanded his business and hence his use of "Ever-Ready" has never been challenged. The reasonableness of this good faith is shown by the District Court's holding of non infringement. If the appellate reversal must be accepted as the law of this case, it does not detract from his good faith.

The District Court reserved the question of laches as not needing decision when it had held "EVEREADY" invalid and not infringed.

The Court of Appeals reversed the District Court's holdings on validity and infringement. Union Carbide, as appellant, had not sought a ruling on laches. Nevertheless, the Court of Appeals decided the laches question without notice to the parties that that question was being considered and should be argued, and without explaining why it did not remand this reserved question to the District Court. It based its determination against laches on a fact statement mysteriously supplied within the court, having no resemblance to any fact statement furnished

by the parties. This fact statement was ridiculously in error. When, on petition, Gilbert's attorney pointed out the error, Union Carbide, while not claiming real accuracy, disguised the extent of error by a "red herring" technique of asserting some error in the Gilbert statement. Without waiting for a reply by Gilbert, the Court denied the petition.

The Court's error was crucial, in asserting that the defendant's acts involved in the litigation had begun in the year of the start of the suit. That this was a gross error has never been denied by Union Carbide.* The above-mentioned "red herring" may have kept the Court from seeing the error while it could still have been corrected with minimal embarrassment.

In addition to reliance on the "red herring", Union Carbide's opposition to the 1976 Gilbert petition also asserted that Laches would be immaterial anyway, because there should still be an injunction to protect purchasers. Later, before the District Court in the course of a trial on Gilbert's antitrust defense, an ex-official of Union Carbide testified that in buying light bulbs [the low-voltage

*Per previous paragraph U.C. belittled error.

bulbs of this suit] purchasers do not rely on trademarks.* [They match the type of bulb to be replaced, picking up whatever line of bulbs found in the store entered.] There has been no indication that the Court of Appeals has weighed this admission.

There has been no indication that the Court of Appeals has considered whether it was proper, in the good-faith circumstances of this case, and in view of the testimony just mentioned, to virtually put Gilbert out of business by an injunction that did not allow a period in which he could dispose of his stock.

There has been no indication that the Court recognized that Gilbert's products and Union Carbide's are not competing in the marketplace. The trade recognizes two lines, one sold where 110v. devices are sold, the other where batteries energize the bulbs. (infra, B-7). Gilbert sells in the former. Union Carbide has discontinued packaging for that line.**

*Oct. 13, 1976 transcript, p. 78. This admission came out as an escape from efforts of Gilbert to show a "nexus" between acts he was charging to be anti-trust and the trademark EVEREADY on bulbs.

**Un. Carb. main brief, first appeal, p.8.

The Court of Appeals has never even attempted an explanation of why its procedure in denying laches was not lacking in due process and in essential fairness. Nor has Union Carbide attempted any cognizable explanation of this in its briefs to the Court. It has, instead, used the "red herring" technique of attacking as "irresponsible" statements that it had not denied lack of due process, and irrelevantly belittling an outside action by Gilbert.

Union Carbide has attempted to justify the laches determination on the ground that because "plaintiff has never sought damages ... the laches defense was inapplicable as a matter of law". However, that basis has never been expressed by the court, [and would not prevent considering laches on the question of whether the injunction should permit disposal of stock by defendant who has acted in good faith. The subsequent admission mentioned above would also clearly permit the consideration of laches as to whether <u>any</u> injunction should issue. <u>Denying</u> laches gave the District Court on remand far less freedom than would have a <u>ruling of law</u> that laches, though present, would not be an absolute bar to injunction, if found to be

needed to protect purchasers.]

As to defendant's lamps (i.e. bulb-holding desk lamps, etc.*) there is not believed to have been any evidence of actual confusion in the marketplace. Union Carbide's complaint in this suit does not request any relief regarding them.**Union Carbide must have known of them for years because of advertising and because it used Gilbert as a distributor. The sole basis for finding infringement by Ever-Ready on lamps is believed to have been the survey.

The survey questions were of a nature to lead to the answers Union Carbide desired, in view of the fame of EVEREADY batteries. There was no "control" such as scientists would use. [Here such a control would have been to ask the same questions with respect to neutral products bearing the name Ever-Ready, products of defendant or others as to which Union Carbide had no complaint. Then the surveys on lamps and lamp bulbs would clearly be significant only to the extent that

*To distinguish from the sometimes confusing use of "lamps" for lamp bulbs. In this paper "lamps" is never used for bulbs.
**The word "lamps" appears in the requests only in the phrase "bulbs for ...lamps".

incriminating answers were received with substantially more frequency than with the "control". It may be amusing to contemplate the possibility that the "lamp" survey, when ordered, was to be the "control", Union Carbide deciding later to accuse the lamps.]

The term "miniature lamp" has caused much confusion. In the trade, it is used for lamps to be powered by batteries, not for lamps of the same size to be powered from household power lines, usually through a transformer. (Orig. App., p. 80). The trade thus recognizes two lines: one in which Union Carbide sells; the other in which Gilbert sells. "Miniature" is avoided in this paper, except for this note.

ARGUMENT OR DISCUSSION

This brief does not speak against the raising of points sua sponte by courts. It can be a great aid toward justice, when it relates to a point properly before a court, and the parties are given a chance to argue the point before decision by the court. Neither of these requirements were met here, when the Court of Appeals decided against laches.

The court lacked appellate jurisdic-

tion over the question, because it had not been appealed after being reserved by the District Court. Even notice to the parties by the Court would not have given the Court jurisdiction. The appealed questions were the holdings of invalidity and noninfringement. The Court's opinion had already decided these two questions before taking up laches under a separate heading. The court may have seen that that question was not appealed, but amazingly treated this as a waiver by defendant rather than as precluding jurisdiction. The mood of the Court, called "over-reaction" in the accompanying motion, was so strong that apparently it never occurred to the Court that the defendant could not be waiving the laches defense by not appealing, because there was no decision against laches from which he could have appealed.

Even if the Court had had jurisdiction, the procedure would have been lacking in due process, and intolerably unfair.

Neither party had argued the question of laches. It was not in either party's statement of issues. Union Carbide's brief expressly disclaimed discussing laches.*

*Main brief, first appeal, p.4.

Nevertheless, the Court did not call for arguments, when it decided, sua sponte, to take up laches.

The Court did not derive in a permissible manner the statement of facts on the basis of which it decided laches. No paper filed gave any foundation for it. Even Union Carbide's statement of facts mentioned defendants' use of Ever-Ready "in recent years" and specifically mentioned 1969 for one of the uses.* (Brief, p. 9). Yet the Court's mysteriously-derived statement said first use was in 1971, the year suit was filed.

Only by such a gross mis-statement could the court possibly have felt that laches was so clearly lacking as to excuse the proper formalities with respect to this issue. Perhaps such gross mistakes are so easily and innocently made as to be no disgrace.

While such a gross mistake remains uncorrected after request, it becomes a disgrace to the Court committing it and to the entire judicial system, especially when compounded by the other equally gross faults in the treatment of laches by the Court, as pointed out above. If this Court now puts an end to this disgrace, the leg-

*As to earlier uses, see note on p. 15

al system and the country will owe a debt of gratitude to the Gilbert persistence that made the belated resumption of integrity possible.

Widespread Public Benefit

It is rare that one case gives this Court a chance to correct as many bad judicial practices as does this case. Surely the CCA 7 would not have been guilty of these bad practices if it was already sufficiently well known that they were intolerable.

For example, although it seems as clear as could be (on reflection) that a court should never decide a point without having arguments from the parties, this was apparently not evident to the CA-7. This amicus knows of no decisions holding this to be an impropriety or lacking in due process. If Union Carbide wants to argue that it already is so well established as not to need annunciation now by this Court, let Union Carbide cite the decisions.

Rulings by this court are apparently likewise needed on each of the 6 points listed at the end of the foregoing motion, and also on the fundamental question of whether there is jurisdiction over an un-

appealed question. If Union Carbide now contends that even with all these faults, a 1976 decision can not be corrected this late, the suit still pending, then this Court's annunciation on this point is also needed.

These points of public importance justify this Court's time by any standards. But a proposal below may spare the Court from having to spend any time after it grants the petition.

Too Much Injustice Goes Uncorrected

This amicus knows no reason to assume that among the many cases this Court must refuse to accept for lack of sufficient public interest, though recognizing that the decision below might be wrong, injustice is any less frequent than in the public interest cases. This indicates a vast number of unjust decisions below that never get corrected.

This not only offends the American concept of justice for all, but it lowers the public confidence in the judicial system. It is very unfortunate that this court must seem less concerned when an honest business man is virtually put out of his life's business than with a convicted felon whose claim for relief seems

to the public to be a silly technicality.

Suggestion for Time Saving

Although this amicus believes that this case is one deserving the Court's attention through oral hearing if necessary, it is also one where the error is so clear that it invites correction without oral hearing, even if new procedure must be devised. Devising time-saving alternatives could enable this Court to correct far more injustice than it now does. Greater fear of such correction might in turn lead lower courts to be more just themselves.

Calling for submission on briefs would save the Court from oral hearings. However, it would not eliminate further conference time, etc.

This amicus suggests that in cases where the respondent does not have a better justification for the decision below than has so far been expressed in this case, a writ in the nature of mandamus should immediately be issued. In case this can not be done until rules are revised, the amicus suggests an alternative that seems clearly proper under the present rules. The alternative is perhaps best explained by an example; and

the present case makes a good example. This Court could issue a decision much as follows:

> "Petition granted, writ deferred. The response to the petition gives the Court no doubt that the 1976 ruling of the Seventh Circuit Court of Appeals denying laches should be vacated, also subsequent actions based thereon, because:
>
> (1) The Court lacked jurisdiction over laches.
>
> (2) The court should have let the District Court marshal the facts and make initial determinations thereon.
>
> (3) The procedures followed lacked due process and fairness.
>
> (4) The Court was in error in holding waiver by defendant in not urging laches on appeal when that question had been reserved by the District Court.
>
> (5) The Court-stated facts were crucially in error.
>
> (6) On petition for rehearing, the Court did not give the defendant a chance to reply to the opposition; and made no change in its laches ruling, and gave no explanation, even though the opposition did not deny error in the Court's facts.
>
> (7) The Court failed to reevaluate after an ex-official of plaintiff admitted that purchasers replacing small bulbs do not rely on trademarks.
>
> "The clerk shall communicate this decision to the Court of Appeals, and shall issue the writ after two months if informed that the Court of Appeals has not vacated its ruling in accord herewith. By this decision the Court intends to spare itself and the parties from further time on certiorari."

The amicus recognizes that a simple writ giving the Court of Appeals directives along the lines of the above example would be more sensible, if within the present Court practice. The amicus regrets having had so little chance to become familiar with this Court's practice in the many years he has been a member of the its bar. At present he is not even well situated for legal research. The instinct to fight for justice remains, however.

Although the amicus has stated facts which cast doubt on the correctness of holding non-infringement, he does not urge this Court at this stage to disturb that holding. It is, rather, so that the Court can see that the situation is one to which laches can reasonably be applied. Although the holding of infringement is preposterous as to 110 volt plug-in lamps, the laches are most clearly applicable there. As to bulbs, the most fair result might be that the District Court require Gilbert, if he uses the "Ever-Ready" mark after disposal of present stocks, to include on the

packages a suitable disclaimer of any connection with Union Carbide.

Respectfully submitted,

Louis Robertson
Amicus curiae, pro bono publico

1411 Nashua Circle
Sun City Center, FL 33570

Note referred to on page B-9
The amicus has not had access to a set of official exhibits, and can not reliably inform the Court of the full extent of Gilbert's uses of "Ever-Ready" in earlier years. Union Carbide's 1976 answer on petition for rehearing did not deny use on desk lamps as early as 1945 but said there was no evidence of continuous use thereafter. As to bulbs, the amicus has a packaging card of defendants bearing "Ever-Ready" and a "1967" copyright notice. If not in the record, or if there are gaps in proof of continuity, the District Court could reopen evidence, if justice so requires. References herein, throughout, to "Gilbert" may be taken as including his corporate alter-ego using the name Ever-Ready.

LOUIS ROBERTSON
PATENT SOLICITATION

January 28, 1980

1411 NASHUA CIRCLE - SUN CITY CENTER, FL. 33570
TELEPHONE (813) 634-6105

The Clerk of the Court
United States Supreme Court
Washington, D. C.

Re: Mark Gilbert v. Union Carbide 79-1057

Dear Sir:

I was quite unhappy with the quality of printing of some of the pages in my recent Amicus submission to the Court in the above case. I am taking the liberty of having another set transmitted to you, and hope that you can substitute them. If it is best that the Court require a new and better-printed set, please attend to it -- and you will have them with this letter.

At the time of writing this letter I have not seen the new set, but my instructions are that any new typing is to be identical with the original, except for being incapable of poor reproduction.

The submission is entitled MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE OF LOUIS ROBERTSON - PRO BONO PUBLICO with proffered brief attached. It bore the previous number A-335. If my instructions to keep the printing identical result in this number being retained, I trust you will mark the correction.

If nothing else is practical, you may treat the set now submitted as extra copies, to be distributed or given out in your discretion.

Respectfully yours,

Louis Robertson

Louis Robertson, Amicus Curiae

cc John H. Morrison
Kirkland & Ellis
200 E. Randolph Drive
Chicago, IL 60601

Counsel for Union Carbide,
with 3 copies as herewith.

Copies to all served with original brief.

Also to Circuit Judges: Richard D. Cudahy, Latham Castle, Win J. Knoch